

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1469459-000

Total Deleted Page(s) = 20

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Asst. Dir. for
Adm. Serv.
Crim. Inv.
Ident.
Inspection
Intell.
Lab.
Legal Coun.
Off. Cong. & Public Affs.
Rec. Mgmt.
Tech. Servs.
Training
Telephone Rm.
Director's Sec'y

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194-4518-X
V-87
DE-192-194-D-1552

MAR 26 1984

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1-
4 MAY 1984

50

TRANSMIT VIA

☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLASSIFIED
☒ UNCLAS

Date

3/22/84

FM LOS ANGELES (194-248) (WCC-1) (P)

TO DIRECTOR (ROUTINE)

SEATTLE (ROUTINE)

SACRAMENTO (ROUTINE)

BT

UNCLAS

ATTENTION: SUPERVISOR

PUBLIC CORRUPTION

UNIT

CYROTRONICS CORPORATION; B&M DEVELOPMENT; SOLID M. CORPORATION;

CALIFORNIA COMMUNITY CLUB;

PARKFORD PETROLEUM;

CARD CONSTRUCTION;

MERIT ENTERPRISES, CONQUEST;

BOARD'S ACT
 CORRUPTION OF PUBLIC OFFICIALS; BANK FRAUD AND EMBEZZLEMENT;
 MAIL FRAUD; RICO; CONSPIRACY; OO: LOS ANGELES.

RE LOS ANGELES TELETYPE TO THE BUREAU DATED MARCH
 14, 1984; LOS ANGELES TELEPHONE PHONE CALL TO SUPERVISOR

Approved

Transmitted

Per

(Number)

(Time)

ENCLOSURE

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PAGE TWO (154E-219) UNCLAS

[REDACTED] PUBLIC CORRUPTION UNIT, FBIHQ, LOS ANGELES TELEPHONE CALLS TO SEATTLE SUPERVISOR [REDACTED] AND SACRAMENTO BELIEF SUPERVISOR [REDACTED] MARCH 22, 1984.

FOR INFORMATION OF SEATTLE AND SACRAMENTO, ON MARCH 7, 1984, [REDACTED] ORANGE COUNTY DISTRICT ATTORNEY'S OFFICE (OCDA) ADVISED LOS ANGELES THAT THE OCDA HAD BEEN INVESTIGATING [REDACTED] FOR APPROXIMATELY EIGHT MONTHS IN CONNECTION WITH THE FRAUDULENT OBTAINING OF APPROXIMATELY TWENTY MILLION DOLLARS IN LOANS FROM CALIFORNIA CANADIAN BANK. [REDACTED] ADVISED THAT [REDACTED]

[REDACTED] CALIFORNIA CANADIAN BANK, PROVIDED THE OCDA WITH INFORMATION INDICATING THAT CALIFORNIA CANADIAN BANK (CCB) OFFICIALS COOPERATED WITH [REDACTED] IN FURNISHING [REDACTED] AND HIS ASSOCIATES WITH OVER TWENTY MILLION DOLLARS IN LOANS WHICH ARE CURRENTLY IN DEFAULT. [REDACTED] INVESTIGATION HAS DETERMINED THAT NUMEROUS CCB BANK OFFICIALS RECEIVED RIBBAGES FROM [REDACTED] FOR THEIR ASSISTANCE IN OBTAINING LOANS AND IN ADDITION, WERE FURNISHED [REDACTED]

[REDACTED]

INVESTIGATION HAS DETERMINED THAT ONCE THE LOANS WERE OBTAINED [REDACTED] AND HIS ASSOCIATES CONVERTED THOSE FUNDS TO THEIR PERSONAL USE CONTRARY TO THE INTENDED USE OF THE

PAGE THREE (LA 194D-238) UNCLAS

MONEY AS DECLARED IN THE APPLICATION FILED WITH CCR. IT HAS BEEN DETERMINED THAT THESE FUNDS WERE SUBSEQUENTLY CHanneLED TO ASSOCIATES OF [REDACTED] TO INCLUDE [REDACTED] WHO ULTIMATELY DISTRIBUTED THESE PROCEEDS TO VARIOUS POLITICIANS THROUGHOUT CALIFORNIA WHICH COULD POTENTIALLY AFFECT LEGISLATION.

[REDACTED]

THE LOS ANGELES DIVISION HAS INITIATED THIS INVESTIGATION AND HAS AGREED TO WORK A JOINT INVESTIGATION WITH OCDA. APPROXIMATELY 15 FEDERAL GRAND JURY SUBPOENAS HAVE BEEN OBTAINED FOR THE VARIOUS BANK ACCOUNTS CONTROLLED BY [REDACTED] AND HIS ASSOCIATES. TRACING OF THOSE BANK ACCOUNT FUNDS WILL PROVIDE LOS ANGELES WITH VALUABLE INFORMATION AS TO HOW

[REDACTED] CHanneLED KICKBACKS AND PAYOFFS TO BOTH CCR OFFICIALS AND CALIFORNIA STATE LEGISLATIVE OFFICIALS. IT HAS BEEN DETERMINED [REDACTED]

[REDACTED] INVESTED IN A CONDOMINIUM PROJECT BEING DEVELOPED BY [REDACTED] WITH RESPECT TO THE INVESTMENT BY [REDACTED] IT HAS BEEN DETERMINED THAT [REDACTED] BORROWED HIS DOWN PAYMENT FOR HIS INVESTMENT IN RAM DEVELOPMENT FROM CCR WHICH LOAN WAS ULTIMATELY PAID OFF BY [REDACTED] THEREAFTER HE-SOLD THE CONDOMINIUM TO [REDACTED] AND WAS PAID [REDACTED] FOR HIS EQUITY IN THE PROPERTY.

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A REVIEW OF THE STATEMENTS OF ECONOMIC INTEREST SEI (FORM 721) OF [REDACTED] REVEALED THAT A STATEMENT FILED BY HIM WITH THE FAIR POLITICAL PRACTICES COMMITTEE (FPFC) ON MARCH 15, 1983, (FOR 1982) DISCLOSED A PROPRIETARY OWNERSHIP IN THE CONDOMINIUM PROJECT (B&M DEVELOPMENT) WHICH HE ACQUIRED ON JANUARY 1, 1982, AND VALUED BETWEEN [REDACTED]

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[REDACTED] SUBSEQUENT REVIEW OF THE B&M LOAN FILE AT CCB DOES NOT DISCLOSE [REDACTED] AS AN INVESTOR OR BUYER IN THE PROJECT DURING THAT TIME. IN ADDITION, [REDACTED] WHO CURRENTLY RESIDES IN SEATTLE, HAS MADE STATEMENTS TO MEMBERS OF THE PRESS INDICATING THAT HE [REDACTED] WAS INVOLVED IN VARIOUS HIDDEN INVESTMENTS WITH [REDACTED]

FURTHER INVESTIGATION HAD INDICATED THAT [REDACTED] MAY HAVE ATTEMPTED TO INFLUENCE THE PASSING OF CALIFORNIA SENATE BILL 999, WHICH WOULD AMEND, REPEAL AND ADD TO CERTAIN SECTIONS OF THE HEALTH AND SAFETY CODE RELATING TO FIRE PROTECTION. BILL 999 WAS PASSED IN 1982 BUT VETOED BY THE GOVERNOR, APPARENTLY DUE TO OVERWHELMING OPPOSITION BY THE LEAGUE OF CALIFORNIA CITIES. IT WAS LATER LEARNED THAT 31 OF THE 41 ASSEMBLYMEN THAT VOTED FOR ITS (999) PASSAGE HAD RECEIVED CONTRIBUTIONS FROM [REDACTED]

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PAGE 555 (LA 194D-) UNCLAS

DUE TO THE URGENCY OF THE MATTER, BUREAU SUPERVISOR

[REDACTED] PUBLIC CORRUPTION UNIT, HAS PROVIDED

VERBAL AUTHORIZATION WITH SAC, LOS ANGELES, AND SEATTLE
CONCURRENCE, FOR SA [REDACTED] TO TRAVEL WITH AN OCDA
INVESTIGATOR TO SEATTLE ON MARCH 25, 1984, TO OBTAIN A
COMPLETE STATEMENT FROM [REDACTED] IN ADDITION,
SAC'S LOS ANGELES AND SACRAMENTO CONCUR THAT SA [REDACTED]
TRAVEL TO SACRAMENTO ON MARCH 26 - 28, 1984, TO CONTACT
ADMINISTRATIVE ASSISTANT TO [REDACTED] AND
OTHERS TO OBTAIN COMPLETE HISTORY OF SENATE BILL 999 AND ITS
ATTEMPTED PASSAGE. APPROPRIATE ACCOMODATIONS HAVE BEEN OBTAINED
AND NO ASSISTANCE IS REQUIRED OF THE SEATTLE OR SACRAMENTO
DIVISIONS AT THIS TIME.

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FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ Airtel

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 3/22/84

TO: DIRECTOR, FBI

FROM: SAC, LOS ANGELES (194D-238) (WCC-3) (P)

SUBJECT:

Solid M. Corporation,
Pyrontronic Corporation,
Red Devil Fire Works,
B M Development,
California Commerce Club, Incorporated
Casa Del Amo Estates,
Castle Card Club,
Financial Loan Consultants, Incorporated
Hercules Properties,
La Tuna Properties Limited,
Milpitas Rincon Properties,
Morgan Hill Properties Limited,
Panamint Marketing,
Pleasanton Properties Limited,
Pyro Spectaculars:

Card Construction Company,
Merit Enterprises,
Condovest, Incorporated;

- 2 - Bureau (Enc. 5)
- 2 - Honolulu (Enc. 2) (Info.)
- 2 - Kansas City (Enc. 2) (Info.)
- 2 - Oklahoma (Enc. 2) (Info.)
- 2 - Sacramento (Enc. 2) (Info.)
- 2 - San Francisco (Enc. 2) (Info.)
- 2 - Seattle (Enc. 2) (Info.)
- 2 - WFO (Enc. 2) (Info.)
- 2 - Los Angeles

DE-51

194 - 4518 -

2 APR 18 1984

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2cc-crim. Pub. Integrity
 1cc-WCC
 RT 12.8.
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Approved

Transmitted

(Number)

(Time)

Per

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LA 194D-238

~~Cambridge Group Holding Corporation,~~
~~Cambridge Ventures, Incorporated,~~
~~Euro American Advisors,~~
~~Parkford Petroleum, Incorporated;~~

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HOBBS ACT-CORRUPTION OF PUBLIC OFFICIALS;
BANK FRAUD AND EMBEZZLEMENT;
MAIL FRAUD;
WIRE FRAUD;
RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS; (RICO)
OO: Los Angeles

Re Los Angeles teletype to San Francisco dated March 15,
1984.

Enclosed for the Bureau is the original and four copies of a self explanatory Letterhead Memorandum regarding captioned matter. Also enclosed for each receiving office are two copies of the LHM. LHM is being furnished in view of the fact Los Angeles anticipates subsequent investigation will be requested of receiving offices at a later date.

By separate communication, USA Los Angeles has been furnished a copy of the enclosed LHM.



U.S. Department of Justice

Federal Bureau of Investigation
11000 Wilshire Boulevard
Los Angeles, California 90024

In Reply, Please Refer to
File No.

March 22, 1984



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SOLID M. CORPORATION,
PYRONTRONICS CORPORATION,
RED DEVIL FIRE WORKS,
B M DEVELOPMENT,
CALIFORNIA COMMERCE CLUB, INCORPORATED,
CASA DEL AMO ESTATES,
CASTLE CARD CLUB,
FINANCIAL LOAN CONSULTANTS, INCORPORATED,
HERCULES PROPERTIES,
LA TUNA PROPERTIES LIMITED,
MILPITAS RINCON PROPERTIES,
MORGAN HILL PROPERTIES LIMITED,
PANAMINT MARKETING,
PLEASANTON PROPERTIES LIMITED,
PYRO SPECTACULARS.



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CARD CONSTRUCTION COMPANY,
MERIT ENTERPRISES,
CONDOVEST. INCORPORATED:



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CAMBRIDGE GROUP HOLDING CORPORATION,
CAMBRIDGE VENTURES, INCORPORATED,
EURO AMERICAN ADVISORS,
PARKFORD PETROLEUM, INCORPORATED;



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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

194 - 4518- X1
ENCLOSURE

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[REDACTED]

HOBBS ACT-CORRUPTION OF PUBLIC OFFICIALS;
BANK FRAUD AND EMBEZZLEMENT;
MAIL FRAUD;
WIRE FRAUD;
RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS;

[REDACTED] Solid M.
Corporation is the largest fireworks manufacturer in the State of
California. From 1975 to 1983 [REDACTED] actively supported various
ordinances and legislative measures that would outlaw certain
distributors of fireworks and which would significantly increase
[REDACTED] share of the fireworks market.

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On March 7, 1984, [REDACTED] Orange County District
Attorney's office (OCDA) advised the Los Angeles Division that the
OCDA had been investigating [REDACTED] for approximately eight months
in connection with the fraudulent obtaining of approximately twenty
million dollars in loans from California Canadian Bank (CCB), a
wholly owned subsidiary of Canadian Imperial Bank of Commerce, Toronto,
Ontario Canada. [REDACTED] advised that [REDACTED]
[REDACTED] CCB, provided the OCDA with information indicating that CCB
officials cooperated with [REDACTED] associates in
furnishing [REDACTED] and his associates with over twenty million
dollars in loans all of which are currently in default. [REDACTED]
internal investigation has determined that numerous CCB bank
officials to include [REDACTED]
[REDACTED] received kickbacks from [REDACTED]
and his associates for their assistance in obtaining millions of
dollars in loans from CCB. In addition to cash payments to these
bank officials, information has been developed indicating that these
same officials were furnished by [REDACTED] the services of [REDACTED]
[REDACTED]

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[redacted]
[redacted]
In addition to the above [redacted]

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[redacted] has been interviewed in depth and
[redacted] and has advised that while
serving as [redacted] he
was furnished by [redacted] with [redacted] each
month for [redacted] assistance in [redacted] is
the [redacted]

[redacted]
[redacted] was interviewed on March 16, 1984 and advised
that he first became acquainted with [redacted] after [redacted] had

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[redacted]

[redacted] established a business relationship with [redacted] [redacted] stated that [redacted] was desirous of obtaining an approximate [redacted] loan from CCB which loan was turned down on [redacted] separate occasions. [redacted] stated that [redacted] traveled to San Francisco to make a presentation to [redacted] and after that presentation [redacted] decided to grant [redacted] the loan he was requesting. [redacted] stated that on the first occasion he was invited to a [redacted] with [redacted] requested he travel to Los Angeles, California to attend a [redacted] [redacted] stated that also traveling with him was [redacted] indicated that after the dinner he [redacted] and other [redacted] associates were led by [redacted] Upon arriving [redacted]

[redacted]

[redacted]

[redacted] stated that he [redacted]

[redacted] indicated that he continued to have subsequent dinner meetings with [redacted] in Los Angeles but [redacted]

[redacted] and his associates after the dinner meeting. [redacted] stated however that in early [redacted] he traveled to Los Angeles on an invitation from [redacted] to attend another social event. After the event was over, which event was attended by several other CCB officials and [redacted] a ride home. [redacted] stated that he accepted [redacted] invitation and accompanied [redacted] after the dinner. [redacted] indicated that

[redacted]

[redacted]

[redacted]

In analyzing CCB's bank records it has been determined' that [redacted] diverted much of the proceeds from those loans to his personal use. It has also been determined that monies diverted from those loans were channeled by [redacted]

[redacted]

[redacted] Investigation by the OCDA has determined that numerous illegal campaign contributions were made not only to politicians identified in captioned matter but to other California State officials.

The analysis of CCB's bank records has also determined that [redacted] further identified as B and M Development. Although none of those individuals were furnished with paperwork of evidencing their investment in the limited partnership each received a one hundred percent return on his investment. For example, [redacted] made an initial investment of [redacted] by obtaining a loan in that amount from CCB upon the recommendation of [redacted]. Approximately one year later proceeds from another [redacted] related loan were used to issue [redacted] a check for [redacted]. The day after [redacted] obtained these monies, [redacted] father invested [redacted] in the Commerce Card Club, a local gambling club owned by [redacted]. For that [redacted] investment [redacted] was given a one percent ownership in that club. [redacted] invested approximately [redacted] and was furnished with a [redacted] promissory note from [redacted] which note was later converted to [redacted] cash and a [redacted] investment in the company owning the land on which [redacted] Commerce Card Club was built. [redacted] was offered an opportunity to invest in B and M Development and [redacted] arranged for a [redacted] loan to [redacted] from CCB. Approximately one year later [redacted] while going through [redacted] requested that his B and M Investment be cashed out and he was subsequently paid approximately [redacted] by one of [redacted] companies. All of the public officials were in a position to aid [redacted] in his fireworks company. Approximately one or two days after [redacted] was given a check for [redacted] representing his investment in B and M Development [redacted] voted in favor of a significant bill affecting [redacted] businesses favorably. In addition [redacted] has voted favorably on numerous issues affecting [redacted] related companies. [redacted] was an additional investor in B and M Development although his interest has not been cashed out by [redacted] as of this date. During 1983, [redacted] and his

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[redacted]
[redacted] and appearing in a local newspaper article was a comment by [redacted] that [redacted] had numerous hidden interests in [redacted] related companies. It is anticipated that [redacted] will be interviewed in the very near future and a full and complete statement will be obtained from her.

Numerous associates of [redacted] who obtained sizeable loans from CCB have been interviewed and on several occasions these associates have stated that to obtain loans from CCB [redacted] had indicated to them that kickbacks would have to be channeled to CCB officials.

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Just prior to the Los Angeles Division initiating their investigation [redacted] approached [redacted]

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[redacted]
The Special Agent in Charge (SAC), Los Angeles was briefed on this investigation and fully concurs that Los Angeles should initiate a Hobbs Act investigation further authorizing that two full time special agents be assigned to this investigation. The

[REDACTED]
United States Attorney (USA), Los Angeles has also been apprised of the investigation and has appointed OCDA attorney's [REDACTED]

[REDACTED] In addition OCDA investigators have been given a special marshal status in the investigation to assist in the service of subpoenas and to have access to Federal Grand Jury material. The USA, Los Angeles fully concurs with the investigation of [REDACTED] under the Hobbs Act violation and further believes that in addition to the Hobbs Act [REDACTED] and his associates will be charged with violation of the Bank Fraud and Embezzlement, Mail Fraud, Fraud by Wire, Interstate Transportation of Stolen Property and Racketeer Influenced and Corrupt Organizations (RICO) statutes. Los Angeles will be working this investigation jointly with the OCDA and Internal Revenue Service.

ACCOMPLISHMENT REPORT (Effective 10/1/84)

Submit within 30 days from date of accomplishment)

Date 1/14/84

DIRECTOR, FBI

SAC, LOS ANGELES

SUBJECT:

ET AL; HOBBS ACT -
POLITICAL CORRUPTION;
BF&E; MF; WF; RICO;
IGB; AIDING AND ABETTING
OO: Los Angeles

194C-4378
Bureau File Number
194C-238
Field Office File Number
0670
Squad or RA Number

Agent's Social Security No.
☒ X if a joint operation with another Federal, State or Local LE agency **

Investigative Assistance or Technique Used			
Were any of the investigative assistance or techniques listed below used in connection with accomplishment being claimed? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - If Yes, rate each used as follows: 1 = Used, but did not help 2 = Helped, but only minimally 3 = Helped, substantially 4 = Absolutely essential			
1. Acctg Tech Assistance	Rating	6. ELSUR - Title III	Rating
2. Aircraft Assistance		7. Hypnosis Assistance	
3. Computer Assistance		8. Ident Div Assistance	
4. Consensual Monitoring		9. Informant Information	
5. ELSUR - FISC		10. Lab Div Exams	
11. Lab. Div. Field Support	Rating	12. Pen Registers	
13. Photographic Coverage		14. Polygraph Assistance	
15. Search Warrants Executed		16. Show Money Usage	Rating
17. Surveill. Sqd Asst		18. SWAT Team Action	
19. Telephone Toll Records		20. Undercover Operation	
21. Visual Invest - Analysis (VIA)			

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A. Preliminary Judicial Process (Number of subjects)	Complaints	Informations	Indictments	D. Recoveries, Restitutions, Court Ordered Forfeitures or Potential Economic Loss Prevented (PELP)			
			1	Property or PELP Type Code	Recoveries	Restitutions	Potential Economic Loss Prevented
B. Arrests, Locates, Summonses & Subpoenas (No. of subjects)	Subject Priority (See Reverse)						
	A	B	C				
FBI Arrests							
FBI Locates							
Number of Subjects of FBI Arrests Who Physically Resisted							
Number of Subjects of FBI Arrests Who Were Armed							
Criminal Summonses	Subpoenas Served						
C. Release of Hostages or Children Located: (Number of Hostages or Children Located)				E. Civil Matters			
Hostages Held By Terrorists; All Other Hostage Situations				Government Defendant			
Missing or Kidnapped Children Located				Government Plaintiff			
				Amount of Suit			
				Settlement or Award			
				Enter AFA Payment Here			

F. Final Judicial Process: Judicial District		Dates	Convictions (or Final Judicial Process) Date	Sentence Date
Subject 1 - Name				
<input type="checkbox"/> Pretrial <input type="checkbox"/> Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	-Convictions- Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input type="checkbox"/> Trial	Conviction Title Section Counts	Subject's Description Code Combined Sentence In-Jail Term Suspended Probation Yrs Mos Yrs Mos Yrs Mos Total Fines Consecutive Sentences - Add all consecutive sentences together. Concurrent Sentences - Enter longest single term. Do not add concurrent sentences together. If the sentence is 10 years in custody of the Atty Gen. but 8 years are suspended, the In-Jail term would be 2 years.
Subject 2 - Name				
<input type="checkbox"/> Pretrial <input type="checkbox"/> Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	-Convictions- Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input type="checkbox"/> Trial	Conviction Title Section Counts	Subject's Description Code Combined Sentence In-Jail Term Suspended Probation Yrs Mos Yrs Mos Yrs Mos Total Fines Consecutive Sentences - Add all consecutive sentences together. Concurrent Sentences - Enter longest single term. Do not add concurrent sentences together. If the sentence is 10 years in custody of the Atty Gen. but 8 years are suspended, the In-Jail term would be 2 years.
Subject 3 - Name				
<input type="checkbox"/> Pretrial <input type="checkbox"/> Diversion <input type="checkbox"/> Dismissal <input type="checkbox"/> Acquittal	-Convictions- Enter conviction and sentence data in space at right. If more than four sections are involved, limit to the four most relevant. Do not report conviction until sentence has been pronounced.	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea <input type="checkbox"/> Trial	Conviction Title Section Counts	Subject's Description Code Combined Sentence In-Jail Term Suspended Probation Yrs Mos Yrs Mos Yrs Mos Total Fines Consecutive Sentences - Add all consecutive sentences together. Concurrent Sentences - Enter longest single term. Do not add concurrent sentences together. If the sentence is 10 years in custody of the Atty Gen. but 8 years are suspended, the In-Jail term would be 2 years.

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Attach additional forms if reporting final judicial process on more than three subjects, and submit a final disposition form (R-84) for each subject.

Remarks: SEE PAGE TWO

2 - Bureau

3 - Los Angeles

1 - Admin. Stat; 1 - 194C-238; 1 - Personnel Folder

SA

5-51 (Rev. 2-27-84)

2 JUN 26 1985

*See codes on reverse side. Subject description codes in Section F are required only when reporting a conviction.
**In joint operations, identify the other Federal, State or Local Law Enforcement (LE) agency in the Remarks Section.

Property Type Codes*

Code

No Description

- 1 Cash (U.S. and foreign currency)
2 Stock, Bonds or Negotiable Instruments (checks, travelers checks, money orders, certificates of deposit, etc)
3 General Retail Merchandise (clothing, food, liquor, cigarettes, TVs, etc)
4 Vehicles (autos, trucks, tractors, trailers, campers, motorcycles, etc)
5 Heavy Machinery & Equipment (heavy equipment, computers, etc)
6 Bulk Materials (grain, fuel, raw materials, metals, wire, etc)
7 Jewelry (including unset precious and semiprecious stones)
8 Precious Metals (gold, silver, silverware, platinum, etc)
9 Art, Antiques or Rare Collections
10 Dangerous Drugs
11 Weapons or Explosives
12 Businesses or Assets Forfeited
20 All Other Recoveries (not falling in any category above)

Potential Economic Loss Prevention (PELP) Type Codes*

Code

No Description

- 22 Counterfeit Stocks, Bonds, Currency or Negotiable Instruments
23 Counterfeit or Pirated Sound Recordings or Motion Pictures
24 Bank Theft Scheme Aborted
25 Ransom, Extortion or Bribe Demand Aborted
26 Theft from, or Fraud Against, Government Scheme Aborted
27 Commercial or Industrial Theft Scheme Aborted
30 All Other Potential Economic Loss Prevented (not falling in any category above)

*The case file must contain an explanation of the computation of the recovery value or loss prevented. An explanation airtel must accompany this report if the recovery is \$1 million or more, or if the PELP is \$5 million or more.

Subject Description Codes*

- Enter Description Code Only When Reporting a Conviction -

Organized Crime Subjects:

- 1A Boss, Underboss or Consigliere
1B Capodecina or Soldier
1C Possible LCN Member or Associate
1D OC Subject Other Than LCN

Known Criminals (Other Than OC Members):

- 2A Top Ten or I.O. Fugitive
2B Top Thief
2C Top Con Man

Foreign Nationals:

- 3A Legal Alien
3B Illegal Alien
3C Foreign Official Without Diplomatic Immunity
3D U.N. Employee Without Diplomatic Immunity
3E Foreign Students
3F All Others

Terrorists:

- 4A Known Member of a Terrorist Organization
4B Possible Terrorist Member or Sympathizer

*If a subject can be classified in more than one of the categories, select the most appropriate in the circumstance.

Union Members:

- 5A International or National Officer
5B Local Officer
5C Union Employee

Government Officials Or Employees:

Federal	State	Local
6A Presidential Appointee	6J Governor	6R Mayor
6B U.S. Senator	6K Lt. Governor	
6C U.S. Representative	6L Legislator	6S Legislator
6D Judge	6M Judge	6T Judge
6E Prosecutor	6N Prosecutor	6U Prosecutor
6F Law Enforcement Officer	6P Law Enforcement Officer	6V Law Enforcement Officer
6G Fed Exec - GS 13 & above	6Q All Others - State	6W All Others - Local
6H Fed Empl - GS 12 & below		

Bank Officers or Employees:

- 7A Bank Officer
7B Bank Employee

All Others:

- 8A All Other Subjects (not fitting above categories)

Instructions

Subject Priorities for FBI Arrest or Locates:

- A - Subject wanted for crimes of violence (i.e. murder, manslaughter, forcible rape, robbery and aggravated assault) or convicted of such crimes in the past five years.
B - Subjects wanted for crimes involving the loss or destruction of property valued in excess of \$25,000 or convicted of such crimes in the past five years.
C - All others

Claiming Convictions Other Than Federal:

It is permissible to claim a local (state, county or local) conviction if the FBI's investigation significantly contributed to the successful local prosecution. A succinct narrative setting forth the basis for claiming a local conviction must accompany this report. When claiming a conviction other than Federal, enter the word "LOCAL" in the Conviction-Section" block, disregard the number of conviction counts, but enter the sentence in the appropriate blocks. Enter "LF" in the "In-Jail" block for all life sentences and "CP" for all capital punishment sentences.

Reporting Convictions:

Convictions should not be reported until the sentence has been issued. There are two exceptions to this rule. The conviction information can be submitted by itself if:

1. The subject becomes a fugitive after conviction but prior to sentencing.
2. The subject dies after conviction but prior to sentencing.

An explanation is required in the Remarks section for either of the above exceptions.

Rule 20 Situations:

The field office that obtained the process (normally the office of origin) is the office that should claim the conviction, **not** the office where the subject enters the plea in cases involving Rule 20 of the Federal Rules of Criminal Procedures.

Investigative Assistance or Techniques (IA/Ts) Used:

-Since more than one IA/T could have contributed to the accomplishment, each IA/T must be rated.

-The IA/T used must be rated **each time** an accomplishment is claimed. (For example - if informant information was the basis for a complaint, an arrest, a recovery and a conviction and if separate FD-515s are submitted for each of the aforementioned accomplishments, the "Informant Information" block must be rated on each FD-515 even if it was the same information that contributed to all the accomplishments.)

LA 194C-238

[redacted] was indicted on [redacted] by
Federal Grand Jury in Los Angeles charging him with [redacted]
[redacted]
[redacted]

b6
b7C

LA08890880259Z

RR HQ HN

DE LA 026

R 027 0259Z MAR 84

FM LOS ANGELES (194C-238) (WCC-4) (0)

DIRECTOR ROUTINE

HONOLULU (VIA FBIHQ) ROUTINE

BT

UNCLAS E F T O

RECEIVED
TELETYPE
UNIT

28 MAR 84 05 56z

FEDERAL BUREAU
OF INVESTIGATION

Exec. AD-Adm.	
Exec. AD-Inv.	
Exec. AD-LES	
Asst. Dir.:	
Adm. Servs.	
Crim. Inv.	
Ident.	
Inspection	
Intell.	
Laboratory	
Legal Coun.	
Off. of Cong. & Public Affs.	
Rec. Mgmt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

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b6
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SOLID M. CORPORATION, ET AL;

HOBBS ACT-CORRUPTION OF PUBLIC OFFICIALS; BF & E; MF; WIRE
FRAUD; RICO; OO: LOS ANGELES

RE LOS ANGELES AIRTELS TO BUREAU AND HONOLULU DATED
MARCH 22, 1984; LOS ANGELES PHONE CALLS TO BUREAU SUPERVISOR

AND HONOLULU SUPERVISOR ON
MARCH 27, 1984.

REFERENCED AIRTEL ENCLOSED FOR INFORMATION A LETTER HEAD
MEMORANDUM FURNISHING DETAILS AS TO LOS ANGELES' INVESTIGA-
TION INTO THE ILLEGAL ACTIVITIES OF

INVESTIGATION TO DATE BY LOS ANGELES HAS IDENTIFIED
A FORMER EMPLOYEE, WHO CURRENTLY
RESIDES IN AND WHO WAS UTILIZED BY

MAR 29 1984

RELAYED TO

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[REDACTED]
[REDACTED] POLITICAL CONTACTS [REDACTED]
[REDACTED]

IN ADDITION, LOS ANGELES HAS IDENTIFIED [REDACTED]

[REDACTED] ASSOCIATE WHO CURRENTLY RESIDES IN

[REDACTED] AND WHO WAS USED BY [REDACTED] TO ARRANGE FOR

[REDACTED] THE BANKERS

WERE INSTRUMENTAL IN ARRANGING APPROXIMATELY \$20 MILLION
IN LOANS FOR [REDACTED] AND HIS ASSOCIATES WHICH LOANS ARE
IN DEFAULT.

b6
b7C

SAC'S LOS ANGELES AND HONOLULU CONCUR THAT LA CASE
AGENT, SA [REDACTED] TRAVEL TO HONOLULU ON APRIL 2,
1984, ARRIVING AT 4:35 PM, VIA AMERICAN AIRLINES FLIGHT
NUMBER ONE, TO CONDUCT IN DEPTH INTERVIEWS OF [REDACTED]

[REDACTED]
ASSOCIATES. SA [REDACTED] WILL BE TRAVELING WITH ORANGE
COUNTY DISTRICT ATTORNEY SENIOR INVESTIGATOR, [REDACTED]

[REDACTED] HONOLULU IS REQUESTED TO ARRANGE HOTEL ACCOMODA-
TIONS FOR SA [REDACTED] AND [REDACTED] AND SUPERVISOR [REDACTED]

ADVISED THAT HONOLULU WILL PICK UP SA [REDACTED]

PAGE THREE (LA 194D-238) UNCLAS E F T O

AT THE HONOLULU AIRPORT. IT IS ALSO REQUESTED THAT HONOLULU
FURNISH SA [REDACTED] WITH ANY AVAILABLE BUREAU VEHICLE. SA
[REDACTED] WILL DEPART HONOLULU, APRIL 5, 1984 AT 1:35 PM.

b6
b7c

DUE TO THE URGENCY OF THIS MATTER, BUREAU SUPERVISORS
[REDACTED] PROVIDED SA [REDACTED] ON MARCH 27, 1984
WITH VERBAL AUTHORIZATION TO TRAVEL TO HONOLULU TO CONDUCT
THE AFOREMENTIONED INTERVIEWS.

BT

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LA09810900207Z

00 HQ

DE LA 044

0 029 0207Z MAR 84

FM LOS ANGELES (194C-238) (WCC-4) (P)

TO DIRECTOR IMMEDIATE

BT

UNCLAS

RECEIVED
TELETYPE UNIT

30 MAR 84 02 16Z

FEDERAL BUREAU
OF INVESTIGATION

Exec. AD	
Exec. AD-Inv.	
Exec. AD-LES	
Asst. Dir.:	
Adm. Servs.	
Crim. Inv.	
Ident.	
Insp.	
Intell.	
Laboratory	
Legal Coun.	
Off. of Cong. & Public Affs.	
Rec. Mgmt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

b6
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SOLID M. CORPORATION; ET AL;

HOBBS ACT-CORRUPTION OF PUBLIC OFFICIALS; BF & E; MF; WIRE
FRAUD; RICO; OO: LOS ANGELES

RE LOS ANGELES LHM TO THE BUREAU DATED MARCH 22, 1984
LOS ANGELES TELETYPE TO BUREAU DATED MARCH 28, 1984 AND
LOS ANGELES TELCALL TO BUREAU ON MARCH 29, 1984.

FOR THE INFORMATION BUREAU, THE FOLLOWING INFORMATION
HAS BEEN DEVELOPED BY LOS ANGELES:

ON MARCH 7, 1984, [REDACTED]
REPRESENTING [REDACTED] ADVISED ASSISTANT
DISTRICT ATTORNEY [REDACTED] ORANGE COUNTY DISTRICT
ATTORNEY'S OFFICE (OCDA), SANTA ANA, CALIFORNIA, SAID IT
WAS HIS UNDERSTANDING THAT [REDACTED] LOS
ANGELES' INVESTIGATION OF [REDACTED] HAD ALSO PROVIDED

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16 APR 11 1984

30 MAR 1984
FBI - LOS ANGELES
FBI - BUREAU

SW

PAGE TWO (LA 194C-238) UNCLAS

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[REDACTED]
[REDACTED]
ON MARCH 29, 1984, LOS ANGELES LEARNED THAT [REDACTED]
[REDACTED] HAD CONTACTED DISTRICT ATTORNEY [REDACTED]
OCDA, SANTA ANA, CALIFORNIA AND HAD INFORMED [REDACTED] THAT
HE [REDACTED] WAS TOLD BY A DEPARTMENT OF JUSTICE
ATTORNEY THAT SEVERAL OCDA INVESTIGATORS WOULD SHORTLY
BE SWORN IN AS SPECIAL MARSHALS IN CONNECTION WITH THE
[REDACTED] INVESTIGATION.

ON SAME DATE, SENIOR INVESTIGATOR [REDACTED] OCDA,
WAS TELEPHONICALLY CONTACTED BY [REDACTED] LOS ANGELES
CASE AGENT WAS PRESENT DURING THIS CONVERSATION. [REDACTED]
ADVISED HE WAS TOLD BY [REDACTED] THAT [REDACTED] IS
CURRENTLY EMPLOYED BY NBC NEWS AS A SENIOR PRODUCER.

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[REDACTED] RELATED THAT ON MARCH 25, 1984 HE WAS INVITED
TO A DINNER PARTY AT A FRIEND'S HOME IN WASHINGTON, D.C.
[REDACTED] IDENTIFIED THIS FRIEND AS A WASHINGTON D.C.
[REDACTED] TOLD [REDACTED] THAT HIS FRIEND INFORMED
HIM OF LOS ANGELES' INVESTIGATION INTO THE ACTIVITIES

LA07800900204Z

00 HQ

DE LA 043

P 029 0204Z MAR 84

FM LOS ANGELES (194C-238)(WCC-4)(P)

TO DIRECTOR IMMEDIATE

BT

UNCLAS

REC'D
TELETYPE

30 MAR 84

FEDERAL BUREAU
OF INVESTIGATION

Exec. AD-Adm.	
Exec. AD-Inv.	
Exec. AD-LES	
Asst. Dir.:	
Adm. Servs.	
Crim. Inv.	
Ident.	
Inspection	
Intell.	
Laboratory	
Legal Coun.	
Off. of Cong. & Public Affs.	
Rec. Mgmt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

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SOLID M. CORPORATION; ET AL;

HOBBS ACT-CORRUPTION OF PUBLIC OFFICIALS; BF & E; MF; WIRE
FRAUD; RICO; OO: LOS ANGELES

RE LOS ANGELES LHM TO BUREAU DATED MARCH 22, 1984
AND BUREAU TELCALL TO LOS ANGELES ON MARCH 29, 1984.

FOR RECORD PURPOSES, IT SHOULD BE NOTED THAT

NAME WAS INADVERTENTLY LEFT OFF REFERENCED
LHM BUT THAT NAME HAD BEEN MENTIONED IN THE
SAME CONTEXT WHEN
NAMES WERE MENTIONED.

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IT IS CONFIRMED THAT AT THE BUREAU'S DIRECTION,
LOS ANGELES' PHOTO BINDER WHICH HAS BEEN SHOWN TO THE
PREVIOUS UTILIZED BY AND WHICH
SHALL BE SHOWN TO VARIOUS WITNESSES IN THE FUTURE WILL
NOT CONTAIN THE PICTURES OF
UNTIL FURTHER ADVISED BY THE BUREAU.

16 APR 11 1984

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BT

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* Above instructions given to LA since
there is insufficient predication at
this point showing any criminality
to this matter under review by
Public Integrity Section.

PAGE THREE (LA 1940-238) UNCLAS

OF [REDACTED] AND THAT
THE CORRUPTION WITHIN [REDACTED] ORGANIZATION REACHED
INTO PRESIDENT REAGAN'S CABINET. [REDACTED] WAS TOLD BY

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[REDACTED] THAT ONE OF THE CABINET MEMBERS THAT WAS
PURPORTEDLY INVOLVED PREVIOUSLY WORKED FOR THE [REDACTED]

[REDACTED] FURTHER IDENTIFYING THIS INDIVIDUAL AS
[REDACTED] TOLD [REDACTED] HE WAS AWARE THAT TWO
OTHER REAGAN CABINET MEMBERS WERE INVOLVED, ALTHOUGH
HE DID NOT IDENTIFY THEM TO [REDACTED]

[REDACTED] ASKED [REDACTED] HOW HE CAN GET IN TOUCH WITH
[REDACTED] UTILIZED BY [REDACTED]

b6
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TOLD [REDACTED] THAT NBC CONSIDERED THIS A NATIONAL INTEREST
STORY AND NBC INTENDED TO PURSUE THE MATTER.

[REDACTED] TOLD [REDACTED] THAT THE INVESTIGATION WAS
VERY SENSITIVE AND THAT [REDACTED] COULD NOT MAKE ANY COMMENTS
TO THE PRESS REGARDING [REDACTED] INQUIRY TO THE OCDA.

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b7C

DUE TO THE SENSITIVE NATURE OF THIS INVESTIGATION,
LOS ANGELES IS CONCERNED OF ANY POSSIBLE "LEAKS" OF
INFORMATION TO THE PRESS. TREMENDOUS AMOUNTS OF MEDIA

PAGE FOUR (LA 194C-238) UNCLAS

ATTENTION HAS BEEN FOCUSED ON THIS MATTER TO DATE AND
WILL UNDOUBTEDLY OCCUR IN THE FUTURE. THE OCDA IS
EQUALLY CONCERNED THAT THE INVESTIGATION NOT BE
HAMPERED BY LEAKS TO THE PRESS. LA IS OF THE OPINION
THAT [REDACTED] SHOULD BE INTERVIEWED AND SUBPOENAED AND
COMPELLED TO FURNISH ANY SPECIFIC INFORMATION HE HAS
RELATIVE TO ALLEGATIONS AGAINST [REDACTED]
[REDACTED] ADDITIONAL THOUGHT IS BEING GIVEN BY
LOS ANGELES TO SEEKING CHARGES OF OBSTRUCTION OF JUSTICE
AGAINST [REDACTED] IF IT CAN BE SHOWN THAT
[REDACTED] WITH RESPECT TO HIS REMARKS TO [REDACTED]
[REDACTED] IN
EFFORTS TO HAMPER LOS ANGELES' INVESTIGATION.

BT

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LAD 919 2300Z 088

OO HQ

DE LA LA13

O 28 2300Z MAR 84

RECEIVED
TELETYPE UNIT

28 MAR 84 23 24Z

FEDERAL BUREAU
OF INVESTIGATION

Exec. AD-Adm.
Exec. AD-Inv.
Exec. AD-LES
Asst. Dir.:
Adm. Servs.
Crim. Inv.

b6
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FM LOS ANGELES (1946-238) (WCC-4) (P)

TO DIRECTOR, FBI IMMEDIATE

BT

UNCLAS

ATTN: SUPERVISOR

PUBLIC CORRUPTIONS UNIT

SOLID M. CORPORATION; ET AL;

HOBBS ACT - CORRUPTION OF PUBLIC OFFICIALS; BF&E; MAIL FRAUD;

WIRE FRAUD; RICO; OO: LOS ANGELES

RE LOS ANGELES LHM TO BUREAU, DATED MARCH 22, 1984 AND
BUREAU TELEPHONE CALL TO LOS ANGELES ON MARCH 28, 1984.

REFERENCED LHM REFERRED TO A COMMENT FROM

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8-4

6 APR 11 1984

TO HIGH-RANKING OFFICIALS IN THE REAGAN ADMINISTRA-

TION TO INCLUDE

RECEIVED
MAR 30 1984

FEDERAL BUREAU OF INVESTIGATION

PAGE TWO (LA 194C-238) UNCLAS

[REDACTED]
[REDACTED] WAS INTERVIEWED BY LOS ANGELES CASE AGENT
ON MARCH 23 AND 26, 1984. [REDACTED] IDENTIFIED HERSELF AS A

[REDACTED] USED BY [REDACTED] SINCE APPROXIMATELY

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[REDACTED] WAS SHOWN A BINDER CONTAINING APPROXIMATELY

SIXTY PICTURES OF [REDACTED]

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[REDACTED]
INCLUDED IN THAT BINDER WERE PICTURES OF [REDACTED]

[REDACTED] POSITIVELY IDENTIFIED. [REDACTED]

[REDACTED]

PAGE THREE (LA 194C-238) UNCLAS

CALLING [REDACTED] AND REQUESTING [REDACTED]

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[REDACTED]
[REDACTED] WAS UNABLE TO IDENTIFY [REDACTED]

AS [REDACTED]

BELIEVES THAT [REDACTED] COMMENTS TO [REDACTED]

[REDACTED] WERE SIMPLY A PLOY [REDACTED]

SCARE OFF THE ORANGE COUNTY DISTRICT ATTORNEY'S OFFICE
FROM ANY FURTHER INVESTIGATION. HOWEVER, LOS ANGELES
KNOWS THAT [REDACTED]

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[REDACTED] AND LOS ANGELES
CANNOT STATE WITH CERTAINTY THAT [REDACTED] REMARKS ARE UN-
FOUNDED. LOS ANGELES IS CONTINUING EFFORTS TO IDENTIFY

[REDACTED] INTERVIEW THEM IN DETAIL.

LOS ANGELES IS PREPARED TO CONFRONT [REDACTED] REGARD-
ING HIS REMARKS TO [REDACTED] IF THE BUREAU CONCURS.

BT

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RECEIVED
INVESTIGATIVE
FRONT OFFICE

MAR 30 11 55 AM '84

F.B.I.
U.S. DEPT. OF JUSTICE

potential OOT aspects of
[redacted] and [redacted] statement.

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FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ RTTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 4/18/84

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TO: DIRECTOR, FBI

FROM: SAC, LOS ANGELES (194C-238) (WCC-4) (P)

SUBJECT: CHANGED

Solid M Corporation, Etc.;
 ET AL:

HOBBS ACT - CORRUPTION OF PUBLIC OFFICIALS;
 BF&E; MAIL FRAUD; WIRE FRAUD; RICO
 OO: Los Angeles

Title is marked changed to reflect the addition of
 an additional subject,

Re Los Angeles airtel and letterhead memorandum
 (LHM), to the Bureau dated 3/22/84, Los Angeles teletypes
 to the Bureau dated 3/28/84 and 3/29/84, and Bureau tele-
 phone call to Los Angeles on 4/17/84.

Enclosed for the Bureau are the original and four
 copies of a self-explanatory LHM.

- ② - Bureau (Enc. 5) **ENCLOSURE** DE-107
 2 - Honolulu (Enc. 2) (Info)
 2 - Kansas City (Enc. 2) (Info)
 2 - Oklahoma City (Enc. 2) (Info)
 2 - Sacramento (Enc. 2)
 2 - San Francisco (Enc. 2)
 2 - Seattle (Enc. 2) (Info)
 2 - Washington Field (Enc. 2) (Info)
 2 - Los Angeles

MAY 3 1984

2cc - ~~san~~ Pub. Integrity
 1cc - WCC

4/27/84

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(18)

Approved:

Transmitted

(Number)

(Time)

Per

66 SEP

LA 194C-238

Enclosed for each receiving office are two copies of the LHM.

By separate communication, the U.S. Attorney, Los Angeles, has been furnished a copy of the enclosed LHM.

During a meeting with [redacted] on 4/13/84, [redacted] through his attorney [redacted] alluded to the fact that high-ranking members in the REAGAN Administration would be implicated with respect [redacted]

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[redacted] knowledge of REAGAN Administration officials involved, this information was furnished to him by [redacted]. No additional information has been developed by Los Angeles implicating any REAGAN Administration officials in this investigation.

LEADS

SACRAMENTO

AT SACRAMENTO, CALIFORNIA: (1) Will review indices and provide any pertinent background information as to criminal activities on the part of [redacted]

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(2) Also search indices and provide any pertinent background information as to criminal activities on the part of [redacted]

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SAN FRANCISCO

AT SAN FRANCISCO, CALIFORNIA: (1) Will review indices and provide any pertinent background information as to criminal activities on the part of [redacted]

b6
b7C

LA 194C-238

(2) Also search indices and provide any pertinent background information as to criminal activities on the part of

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Investigation continuing at Los Angeles.



U.S. Department of Justice

Federal Bureau of Investigation

Los Angeles, California

In Reply, Please Refer to
File No.

April 18, 1984

[Redacted]

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- ① Solid M Corporation,
- ① Pyrotronics Corporation,
- ① Red Devil Fireworks,
- ① B M Development,
- ① California Commerce Club, Inc.,
- ① Casa Del Amo Estates,
- ① Castle Card Club,
- ① Financial Loan Consultants, Inc.,
- ① Hercules Properties,
- ① La Tuna Properties Limited,
- ① Milpitas Rincon Properties,
- ① Morgan Hill Properties Limited,
- ① Panamint Marketing,
- ① Pleasanton Properties Limited,
- ① Pyro Spectaculars;

[Redacted]

b6
b7C

- ① Card Construction Company,
- ① Merit Enterprises,
- ① Condovest, Inc.;

[Redacted]

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- ① Cambridge Group Holding Corporation,
- ① Cambridge Ventures, Inc.,
- ① Euro American Advisors,
- ① Parkford Petroleum, Inc.;

[Redacted]

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

194-4518-4X
ENCLOSURE



HOBBS ACT - CORRUPTION OF PUBLIC OFFICIALS;
BANK FRAUD AND EMBEZZLEMENT;
MAIL FRAUD;
WIRE FRAUD;
RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS

[REDACTED] Solid M Corporation and Pyrotronics Corporation, is the largest fire-works manufacturer in the State of California. From 1975 to 1983, [REDACTED] actively supported various ordinances and legislative measures that would outlaw certain distributors of fire-works and which, if passed, would significantly increase [REDACTED] share of the fireworks market. On approximately March 14, 1984, the Federal Bureau of Investigation (FBI), Los Angeles, California, opened captioned investigation and is currently investigating this matter jointly with the Orange County District Attorney's Office (OCDA).

On March 16, 1984, [REDACTED] San Francisco, California, advised that he was first introduced to [REDACTED] in approximately mid-1975 by [REDACTED] Los Angeles, California. [REDACTED] stated he was introduced to [REDACTED] had applied, through [REDACTED] for a loan, which loan had initially been turned down. [REDACTED] indicated that [REDACTED] traveled to San Francisco to make a personal presentation of [REDACTED] loan request. After the presentation, [REDACTED] indicated that the loan was subsequently approved for [REDACTED] stated

[redacted]

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that [redacted] obtained numerous loans from CCB and, as a result of their dealings with [redacted] CCB has sustained a loss of approximately twenty million dollars.

[redacted] stated he recalled one instance when he was approached by [redacted] who requested permission to travel with [redacted] purchased many of his fireworks. [redacted] stated he gave specific instructions to [redacted]

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[redacted]

[redacted] stated that if anyone traveled

[redacted]

[redacted] said that [redacted]

[redacted]

[redacted]

[redacted] stated that on the first occasion he met with [redacted] on a social basis he traveled to Los Angeles to attend a [redacted] stated that following the dinner, [redacted] took he and [redacted]

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[redacted]

[redacted]

[redacted]

[redacted]

[redacted] stated that on another occasion when he

[redacted] to a

[redacted]

[redacted] Also

[redacted]

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present on that occasion was [redacted]

[redacted]

[redacted]

On March 23 and March 26, 1984, [redacted] was interviewed and advised that she was [redacted]

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[redacted]

[redacted]

[redacted] indicated that in addition to the aforementioned

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[redacted]

[redacted]

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On March 21, 1984, [redacted]

[redacted] advised that [redacted]

[redacted]

[redacted]

[redacted] was adamant that he was never furnished any

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[redacted]

[redacted]

On March 26, 1984, [redacted]

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[redacted]

[redacted]

[redacted]

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On April 3 and April 4, 1984, [redacted]

[redacted]

[redacted]

[redacted] indicated that he also made available [redacted]

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[redacted]

[redacted]

[redacted] indicated that [redacted]

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[redacted]

On April 6, 1984, [redacted] advised that he has known [redacted] for approximately 25 years. [redacted] stated that in approximately January or February 1982, he was

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[redacted]

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contacted by [redacted] and informed that [redacted] was working for

[redacted]

[redacted]

[redacted] indicated that [redacted]

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[redacted]

[redacted]

[redacted] also indicated that prior to [redacted]

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[redacted]

[redacted]

On April 13, 1984, [redacted]
[redacted] consented to meet with FBI and OCDA representatives
in the presence of his attorney. [redacted] was given
a brief explanation as to the FBI's and OCDA's joint investigation

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[redacted]

and the nature of the investigation without providing any details
as to any evidence against [redacted] It became quite
obvious that [redacted] was interested in

[redacted]

[redacted]

3/29/84

JUDGE:

RE: [REDACTED] ET AL;
HOBBS ACT - CORRUPTION OF PUBLIC OFFICIALS [REDACTED]

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On March 7, 1984, the Los Angeles office was advised by the Orange County District Attorney's office (OCDA) that they have been investigating [REDACTED] Solid M. Corporation, the largest fireworks manufacturer in the State of California, for the last eight months in connection with the fraudulent obtaining of \$20 million in loans from the California Canadian Bank (CCB). Certain bank officials allegedly cooperated with [REDACTED] in furnishing him with cash loans which are currently in default. The bank's internal investigation has determined that numerous CCB officials received kickbacks from [REDACTED] and were furnished [REDACTED]

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Just prior to the Los Angeles Division initiating their investigation (3/7/84) [REDACTED] approached [REDACTED]

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[REDACTED] further informed the OCDA that he had conversations with [REDACTED] who informed [REDACTED]

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JUL 17 1986

ENCLOSURE

108 MAR 24 1987

44 File

The Los Angeles Office advised that no information has been developed to date, by way of interviews, that either [redacted] believed by Los Angeles that this was merely a ploy on the part of [redacted] to scare off the OCDA.

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The above information (except that pertaining to [redacted] was contained in a letterhead memorandum submitted by the Los Angeles Office dated 3/22/84, and was reviewed by the Public Corruption Unit of the Criminal Investigative Division on 3/27/84.

[redacted] Chief, Public Integrity Section, United States Department of Justice, and [redacted] also of the Public Integrity Section were advised of this situation (except as it pertains to [redacted] on 3/28/84 and stated they would further evaluate this matter and advise.

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Subsequently, by attached teletype dated 3/28/84, the Los Angeles Office additionally advised that the [redacted] [redacted] had been interviewed by FBI Agents on 3/23 and 3/26/84. She was shown a binder containing sixty photos of [redacted]

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On 3/29/84, the Los Angeles Office was telephonically contacted to determine basis for including photograph of [redacted] Los Angeles advised that his name had been inadvertently left off the 3/22/84 LHM but had been mentioned by [redacted]

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The Public Integrity Section of the Department was furnished the contents of this teletype on 3/29/84.

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Transmit attached by Facsimile - **UNCLAS**

RECEIVED
TELETYPE

PRIORITY

Precedence
20 APR 04 00 00 Z

FEDERAL BUREAU
OF INVESTIGATION
4/13/84

Date: 4/13/84
Time: Transmitted -

To: DIRECTOR, FBI

From: SAC, LOS ANGELES (194C-208) (WCC-4)

Subject: CHANGED, [redacted]

ET AL; HOBBS

ACT - CORRUPTION OF PUBLIC OFFICIALS;
BF7E; MF; FBW; RICO; OO: LOS ANGELES

Initials -

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b7C

- ☐ Fingerprint Photo ☐ Fingerprint Record ☐ Map ☐ Newspaper clipping ☐ Photograph
☐ Artists Conception ☒ Other: Airtel and LHM

Special handling instructions:

Attention: SUPERVISOR [redacted] PUBLIC CORRUPTION UNIT.

Approved

b6
b7C

FBI/DOJ

DE-36

194 - 4518 - 5

ENCLOSURE

16 APR 21 1984

66 MAY 1984

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 4/18/84

TO: DIRECTOR, FBI

FR [REDACTED] SAC, LOS ANGELES (194C-238) (WCC-6) (P)

SUBJECT: CHANGED

[REDACTED]
Solid M Corporation, Etc.;
ET AL;

[REDACTED]
[REDACTED]
ROBBS ACT - CORRUPTION OF PUBLIC OFFICIALS;
BF&E; MAIL FRAUD; WIRE FRAUD; RICO
OO: Los Angeles

Title is marked changed to reflect the addition of
an additional subject, [REDACTED]

Re Los Angeles airtel and letterhead memorandum
(LHM), to the Bureau dated 3/22/84, Los Angeles teletypes
to the Bureau dated 3/28/84 and 3/29/84, and Bureau tele-
phone call to Los Angeles on 4/17/84.

Enclosed for the Bureau are the original and four
copies of a self-explanatory LHM.

- 2 - Bureau (Enc. 5)
- 2 - Honolulu (Enc. 2) (Info)
- 2 - Kansas City (Enc. 2) (Info)
- 2 - Oklahoma City (Enc. 2) (Info)
- 2 - Sacramento (Enc. 2)
- 2 - San Francisco (Enc. 2)
- 2 - Seattle (Enc. 2) (Info)
- 2 - Washington Field (Enc. 2) (Info)
- 2 - Los Angeles

[REDACTED]
(18)

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

194-4518-5
ENCLOSURE

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b7C

LA 194C-238

Enclosed for each receiving office are two copies of the LHM.

By separate communication, the U.S. Attorney, Los Angeles, has been furnished a copy of the enclosed LHM.

During a meeting with [redacted] on 4/13/84, [redacted] through his attorney, [redacted] alluded to the fact that high-ranking members in the REAGAN Administration would be implicated with respect [redacted]

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[redacted] YOUNG's knowledge of REAGAN Administration officials involved, this information was furnished to him by [redacted]. No additional information has been developed by Los Angeles implicating any REAGAN Administration officials in this investigation.

LEADS

SACRAMENTO

AT SACRAMENTO, CALIFORNIA: (1) Will review indices and provide any pertinent background information as to criminal activities on the part of [redacted]

b6
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(2) Also search indices and provide any pertinent background information as to criminal activities on the part of [redacted]

SAN FRANCISCO

AT SAN FRANCISCO, CALIFORNIA: (1) Will review indices and provide any pertinent background information as to criminal activities on the part of [redacted]

b6
b7C

LA 194C-238

(2) Also search indices and provide any pertinent background information as to criminal activities on the part of [REDACTED]

b6
b7C

Investigation continuing at Los Angeles.

LAO 786 115 2048Z

OO HQ

E LA LA003

O 24 2048Z APR 84

RECEIVED
TELETYPE UNIT

24 APR 84 21 13z

FEDERAL BUREAU
OF INVESTIGATION

Exec. AD-Adm. _____ b6
Exec. AD-Inv. _____ b7C
Exec. AD-LES _____
Asst. Dir.: _____
Adm. Serv. _____
Crim. Inv. _____
Ident. _____
Inspection _____
Intell. _____
Laboratory _____
Legal Coun. _____
Off. of Cong. _____
Public Affs. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____
Telephone Rm. _____
Director's Sec'y _____

MF;
FM LOS ANGELES (194C-238)(WCC-4)(P)

TO DIRECTOR IMMEDIATE

BT

UNCLAS

ATTENTION: SUPERVISOR [REDACTED] ROOM 3114.

[REDACTED] SOLID M CORPORATION; ET AL;

HOBBS ACT - CORRUPTION OF PUBLIC OFFICIALS; BF&E; MF; FBW;
RICO; OO: LOS ANGELES.

LOS ANGELES IS REQUESTING EMERGENCY AUTHORITY TO UTILIZE
AN ELECTRONIC DEVICE TO MONITOR AND/OR RECORD PRIVATE CONVER-
SATIONS BETWEEN [REDACTED] AND [REDACTED] AND OTHERS
WITH WHOM SOURCE MAY COME IN CONTACT WITH IN CONNECTION WITH
THIS INVESTIGATION.

ON MARCH 20, 1984, SOURCE ADVISED THAT [REDACTED]

AY 11 1984

Letter to D.E.O.
Sent 5/1/84

57 JUN 1 1984

FOUR
ELSR INDEX

PAGE TWO (LA 194C-238) UNCLAS

[REDACTED] FURTHER

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b7D

TOLD SOURCE THAT [REDACTED]

[REDACTED]
SOURCE ADVISED THAT [REDACTED]

[REDACTED]
[REDACTED] SOURCE ADVISED THAT AS A RESULT OF THE [REDACTED]

REGARDING [REDACTED]
[REDACTED]

SOURCE IS SCHEDULED TO MEET WITH [REDACTED]

ON THE

b6
b7C
b7D

EVENING OF [REDACTED] AT SOURCE'S RESIDENCE. IT IS

ANTICIPATED THAT SOURCE [REDACTED]
[REDACTED]

PAGE THREE (LA 194C-238) UNCLAS

[REDACTED]

AUTHORIZATION TO UTILIZE THE ELECTRONIC DEVICE IS NECESSARY
IN ORDER TO GATHER EVIDENCE RELATING TO THE ALLEGED VIOLATION
AND TO DEVELOP FURTHER INFORMATION CONCERNING PAYOFFS TO
PUBLIC FIGURES BY [REDACTED] AND CAPTIONED SUBJECT [REDACTED]
[REDACTED] WILL WEAR THE RECORDING DEVICE. [REDACTED]
IS WILLING TO TESTIFY AND FURNISH WRITTEN CONSENT IN FORM OF
EXECUTED FD-473.

AUSA [REDACTED] LOS ANGELES, CONCURS WITH THE
USE OF THE MONITORING EQUIPMENT AND DOES NOT FORESEE AN IN-
SURMOUNTABLE BAR TO PROSECUTION DUE TO ENTRAPMENT CLAIMS.

BT

#

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b7D

b7D

b6
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Office of Enforcement Operations
Criminal Division

FEDERAL GOVERNMENT

Director, FBI

May 1, 1984

1 -

1 -

Rm. 5847

b6
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**SOLID M CORPORATION;
AND OTHERS; HOBBS ACT - CORRUPTION OF PUBLIC
OFFICIALS; BANK FRAUD AND EMBEZZLEMENT; MAIL
FRAUD; FRAUD BY WIRE; RACKETEER INFLUENCED AND
CORRUPT ORGANIZATIONS**

Attached is a copy of a communication which furnishes information concerning a current investigation. Exigent circumstances precluded a request for authorization in advance to utilize an electronic device to monitor and/or record private conversations with the consent of a party.

Under the provisions of Part III (b) of the Attorney General's Memorandum of September 22, 1980, to the Heads of Executive Departments and Agencies entitled, "Monitoring Private Conversations with the Consent of a Party," emergency monitoring was instituted under the authorization of an appropriate official of the FBI.

Monitoring of this conversation was authorized in the best interest of law enforcement in that it was expected to provide corroborative evidence and to protect the individual utilizing the equipment.

Further monitoring is expected in this matter and it is requested that your office approve the use of this equipment for a period of 30 days beginning the date on which you grant approval.

Enclosure

NOTE: Emergency authority was obtained from Section Chief Hal N. Helterhoff on 4/25/84 and relayed to SA [redacted] LA, by SSA [redacted] same date.

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Exec AD Adm. _____
Exec AD Inv. _____
Exec AD LES _____
Asst. Dir.:
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Insp. _____
Intell. _____
Lab. _____
Legal Coun. _____
Off. Cong. & Public Affs. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____

APPROVED:

Director _____

Exec. AD-Adm. _____

Exec. AD-Inv. _____

Exec. AD-LES _____

Adm. Servs. _____

Crim. Inv. _____

Ident. _____

Inspection _____

Intell. _____

Laboratory _____

Legal Coun. _____

Off. of Cong. & Public Affs. _____

Rec. Mgnt. _____

Tech. Servs. _____

Training _____

MAY 11 1984

b6
b7CTelephone Rm.
Director's Sec'y

MAIL ROOM

Walked dov 5-3-84

FOUR
ELSOR INDEX
FBI/DOJ

AO 786 115 2107Z

OO HQ

DE LA 003

024 2107Z APR 84

FM LOS ANGELES (194C-238) (WCC-4) (P)

TO DIRECTOR IMMEDIATE

BT

UNCLAS

[REDACTED] SOLID M CORPORATION; ET AL;

HOBBS ACT - CORRUPTION OF PUBLIC OFFICIALS; BF&E; MF; FBW;
RICO; OO: LOS ANGELES.

LOS ANGELES IS REQUESTING EMERGENCY AUTHORITY TO UTILIZE
AN ELECTRONIC DEVICE TO MONITOR AND/OR RECORD PRIVATE CONVER-
SATIONS BETWEEN SOURCE AND [REDACTED] AND OTHERS
WITH WHOM SOURCE MAY COME IN CONTACT WITH IN CONNECTION WITH
THIS INVESTIGATION.

AUTHORITY IS BEING REQUESTED FOR A PERIOD OF THIRTY DAYS.
ON MARCH 20, 1984, SOURCE ADVISED THAT [REDACTED]

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b6
b7C
b7D

b6
b7C
b7D

194-4518-7
ENCLOSURE

PAGE TWO (LA 194C-238) UNCLAS

[REDACTED] FURTHER

b6
b7C
b7D

TOLD SOURCE THAT [REDACTED]

[REDACTED]
SOURCE ADVISED THAT [REDACTED]

[REDACTED]
[REDACTED] SOURCE ADVISED THAT AS A RESULT OF THE [REDACTED]

REGARDING [REDACTED]
[REDACTED]

b6
b7C
b7D

SOURCE IS SCHEDULED TO MEET WITH [REDACTED] ON THE
EVENING OF [REDACTED] AT SOURCE'S RESIDENCE. IT IS
ANTICIPATED THAT SOURCE [REDACTED]
[REDACTED]

PAGE THREE (LA 194C-238) UNCLAS

[REDACTED]

AUTHORIZATION TO UTILIZE THE ELECTRONIC DEVICE IS NECESSARY
IN ORDER TO GATHER EVIDENCE RELATING TO THE ALLEGED VIOLATION
AND TO DEVELOP FURTHER INFORMATION CONCERNING PAYOFFS TO
PUBLIC FIGURES BY [REDACTED] AND CAPTIONED SUBJECT [REDACTED]
[REDACTED] SOURCE WILL WEAR THE RECORDING DEVICE. [REDACTED] SOURCE
IS WILLING TO TESTIFY AND FURNISH WRITTEN CONSENT. [REDACTED]

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[REDACTED] AUSA [REDACTED] LOS ANGELES, CONCURS WITH THE
USE OF THE MONITORING EQUIPMENT AND DOES NOT FORESEE [REDACTED]
[REDACTED] BAR TO PROSECUTION DUE TO ENTRAPMENT CLAIMS.

b6
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BT BODY RECORDER ANTICIPATED, BUT IF A FIXED DEVICE IS USED,
IT WILL ONLY BE ACTUATED WHEN CONSENTING PARTY IS PRESENT.

DUE TO EXIGENT CIRCUMSTANCES, EMERGENCY AUTHORITY WAS GRANTED
ON 4/25/84 BY AN APPROPRIATE FBIHQ OFFICIAL.

Airtel

5/9/84

Director, FBI

SAC, Los Angeles (194C-238)

1 -

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SOLID M CORPORATION;
AND OTHERS; FORBES ACT - CPC; BFSE; MF; FBW; RICO
OO: LOS ANGELES (LA)

ReLatel to the Bureau, 4/24/84, and Butelcal to LA, 4/25/84

ReButelcal 4/25/84 advised that emergency authority was granted for the use of an electronic device to monitor and/or record conversations between source and [redacted] and others unknown.

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This is to confirm that written authority has now been obtained from the Criminal Division, Department of Justice, for the use of electronic device for a period of 30 days beginning 5/3/84

Within 30 days of expiration of this authorization, advise FBIHQ regarding the use of this equipment through submission of a FD-621 (see Manual of Investigative Operations and Guidelines (MIOG), Part II, Section 10-10.3 (6), page 1066.10, under "Consensual Monitoring.")

In the event a renewal of this authority is deemed warranted, submit your request with full justification. An appropriate system should be established so that renewal authority requests are received at FBIHQ at least seven days prior to the expiration of the existing authority.

In addition, you should insure that all persons reasonably identified as having been monitored are suitably included in the field office and FBIHQ ELSUR indices, commensurate with existing instructions as outlined per MIOG, Part II, Section 10-10.5, pages 1066.10-1066.12. Strict administrative controls must be established to insure these requirements are met.

Bureau equipment should be afforded appropriate security and you should keep the Bureau advised of pertinent developments.

NOTE: Emergency authority was obtained from Section Chief Hail on MAY 11 1984
Helterhoff on 4/25/84 and relayed to SA [redacted] LA, by
SSA [redacted] same date.

See Bureau letter to Office of Enforcement Operations dated 5/1/84. No Bureau markings or stamps to be placed on original memorandum.

Exec AD Adm. _____
Exec AD Inv. _____
Exec AD LES _____
Asst. Dir.:
Adm. Serv. _____
Crim. Inv. _____
Ident. _____
Insp. _____
Intell. _____
Lab. _____
Legal Coun. _____
Off. Cong. & _____
Public Affs. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____
Telephone Rm. _____
Director's Sec'y _____

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MAIL ROOM

ENCLOSURE (C) TO (LETTER) (Airtel)

TO: SAC, LOS ANGELES

DATE: 5/9/84

SOLID H CORPORATION, AND OTHERS

HODGES, PET, LPO, OF E. ME. 20, RICO

194-4518-8

ENCLOSURE

194-4518-8

b6
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Memorandum



To : Office of Enforcement Operations
Criminal Division



Director, FBI

RECEIVED
MAY 3 3 37 PM '84
Date MAY 3 1984

OFFICE OF
ENFORCEMENT
OPERATIONS

Subject : [REDACTED] SOLID M CORPORATION;
AND OTHERS; HOBBS ACT - CORRUPTION OF PUBLIC
OFFICIALS; BANK FRAUD AND EMBEZZLEMENT; MAIL
FRAUD; FRAUD BY WIRE; RACKETEER INFLUENCED AND
CORRUPT ORGANIZATIONS

b6
b7C

Attached is a copy of a communication which furnishes information concerning a current investigation. Exigent circumstances precluded a request for authorization in advance to utilize an electronic device to monitor and/or record private conversations with the consent of a party.

Under the provisions of Part III (b) of the Attorney General's Memorandum of September 22, 1980, to the Heads of Executive Departments and Agencies entitled, "Monitoring Private Conversations with the Consent of a Party," emergency monitoring was instituted under the authorization of an appropriate official of the FBI.

Monitoring of this conversation was authorized in the best interest of law enforcement in that it was expected to provide corroborative evidence and to protect the individual utilizing the equipment.

Further monitoring is expected in this matter and it is requested that your office approve the use of this equipment for a period of 30 days beginning the date on which you grant approval.

Enclosure

Approved:

(Pursuant to the Authority of the
Attorney General 11-7-83)



Director
Office of Enforcement Operations

Date: MAY 3 1984

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b6
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Transmitted by Facsimile - UNCLAS

PRIORITY

Precedence

To: DIRECTOR, FBI

From: SAC, LOS ANGELES (194C-2361) (WCC-4) (P)

(SANTA ANA, BA)

Date: 5/9/84

Time: Transmitted

Re: [Redacted]

Subject

RE: [Redacted]

ET AL

HOEBS ACT - CORRUPTION OF PUBLIC OFFICERS

☐ Fingerprint Photo ☐ Fingerprint Retard ☐ Map ☐ Newspaper clipping ☐ Photograph

☐ Artists Conception

☒ Other

LA Teletype to Bureau 5/9/84

Special Handling [Redacted]

Systems Development Section

Attn: Technical Services Division

Approved: [Redacted]

b6
b7C

b6
b7C

MAY 15 1984

ENCLOSURE

FBI

TRANSMIT VIA

☒ TELETYPE
☐ TELEPHONE
☐ _____

PRECEDENCE

☐ IMMEDIATE
☒ PRIORITY
☐ ROUTINE

CLASSIFICATION

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

Date 5/5/84

TO LOS ANGELES (194C-718) (WCC-1) (P)

TO BUREAU (194C-4378)

BT

UNCLAS

ATTN: TECHNICAL SERVICES DIVISION, SYSTEMS DEVELOPMENT
 SECTION [REDACTED]

[REDACTED] SOLID M CORPORATION, PYRO
 TRONICS CORPORATION, ET AL; ROBBER ACT - CORRUPTION OF
 PUBLIC OFFICIALS; DWAP; MAIL FRAUD; WIRE FRAUD; RICO
 OO: LOS ANGELES

RE LOS ANGELES TELCALL TO [REDACTED] MAY 5, 1984

REFERENCED TELCALL PERTAINED TO LOS ANGELES' NEED TO
 OBTAIN THE SERVICES OF THE TECHNICAL SERVICES DIVISION
 WITH RESPECT TO THE COMPUTERIZATION OF APPROXIMATELY 50,000
 BUSINESS AND PERSONAL CHECKS WHICH DOCUMENTS/FUNDS NEED
 TO BE TRACED BY LOS ANGELES. THE LOS ANGELES COMPUTER
 SERVICES UNIT HAS INDICATED THAT THEY CANNOT HANDLE THE
 VOLUNTINELY AMOUNT OF RECORDS WHICH NEED TO BE COMPUTERIZED

194-4518-9

Transmitted

(Number)

Per

(Time)

ENCLOSURE

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PAGE TWO (LA 194C-232) UNCLAS

IN ADDITION TO THE FBI'S INVOLVEMENT IN THIS MATTER, THE IRS AND ORANGE COUNTY DISTRICT ATTORNEY'S OFFICE (OCDA) ARE JOINTLY INVOLVED IN THE INVESTIGATION AND HAVE COMMITTED FIFTEEN FULL-TIME INVESTIGATORS TO THIS CASE.

DUE TO THE VOLUMINOUS AMOUNT OF RECORDS AND THE IMPENDING MOTION BEFORE THE U.S. DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA AUTHORIZING A LOCAL KEYPUNCH SERVICE TO INPUT THE DATA FOR LOS ANGELES, IT IS REQUESTED THAT [REDACTED] TRAVEL TO LOS ANGELES FOR A JOINT MEETING BETWEEN FBI, IRS, AND OCDA PERSONNEL TO DETERMINE THE MOST FEASIBLE MANNER TO COMPUTERIZE THE AFOREMENTIONED RECORDS. THIS MEETING HAS BEEN TENTATIVELY SCHEDULED FOR MAY 16, 1984, AND IT IS REQUESTED THAT [REDACTED] BE AVAILABLE ON MAY 15, 1984, FOR A MEETING WITH LOS ANGELES FBI CASE AGENTS. LOS ANGELES WILL ARRANGE [REDACTED] ACCOMMODATIONS.

BT

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Airtel

5/23/84

Director, FBI

SAC, Los Angeles (194C-238) (WCC-4) (P)

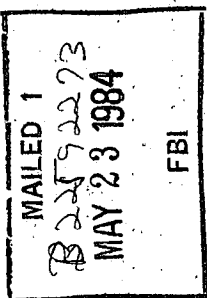
[REDACTED]
SOLID M. PYROTRONICS;
ET AL
HOBBS ACT - CORRUPTION OF PUBLIC OFFICIALS

OO: LA

Re conference held 5/15 and 5/16/84 in Santa Ana, Resident Agency
between SA's [REDACTED] and Systems Analyst [REDACTED]
[REDACTED] Technical Services Division (TSD).

Being forwarded directly to the Santa Ana, Resident Agency are the
requested batch cover instructions needed for the batching process.

No instructions are being furnished for deposit data, documents
relating to deposits may be forward in bulk to TSD for batching.



7-49

DE-100

194-4578-10

2 MAY 24 1984

Exec AD Inv. _____
Exec AD Adm. _____
Exec AD LES _____
Asst. Dir.:
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Intell. _____
Laboratory _____
Legal Coun. _____
Plan. & Insp. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____
Public Affs. Off. _____
Telephone Rm. _____
Director's Sec'y _____

1 - Santa Ana (Package Copy)

MAIL ROOM ☐

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b7C

LA00996 0122 0235Z

PP HQ

DE LA 018

P 030 0235Z APR 84

FM LOS ANGELES (194C-238) (WCC-4)

TO DIRECTOR PRIORITY

BT

UNCLAS

ATTN: SUPERVISOR

CONTRACTS UNIT

SOLID M. CORPORATION, PYROTRONICS

CORPORATION; ET AL; HOBBS ACT - CORRUPTION OF PUBLIC OFFICIALS;

BF&E; MF; WIRE FRAUD; RICO

REFERENCE LOS ANGELES TELEPHONE CALL TO SUPERVISOR

ON APRIL 27, 1984.

SOLID M.

CORPORATION AND PYROTRONICS CORPORATION, IS THE LARGEST

FIREWORKS MANUFACTURER IN THE STATE OF CALIFORNIA.

FROM 1975 TO 1983, [REDACTED] ACTIVELY SUPPORTED VARIOUS

ORDINANCES AND LEGISLATIVE MEASURES THAT WOULD OUTLAW

CERTAIN DISTRIBUTORS OF FIREWORKS IN WHICH, IF PASSED,

WOULD SIGNIFICANTLY INCREASE [REDACTED] SHARE OF THE

FIREWORKS MARKET.

4 MAY 30 1984

in consultation between [REDACTED] of JSD
+ [REDACTED] of LA, LA would use
current vendor, therefore this request is
cancelled.

53 OCT 18 1984

5-24-84

Exec. AD-Adm.
Exec. AD-Inv.
Exec. AD-LES
Asst. Dir.:
Adm. Servs.
Crim. Inv.
Ident.
Inspection
Intell.
Laboratory
Legal Coun.
Off. of Cong. & Public Affs.
Rec. Mgmt.
Tech. Servs.
Training
Telephone Rm.
Director's Sec'y

Administrative
Services
Division

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PAGE TWO (LA 194C-238) UNCLAS

ON MARCH 7, 1984, [REDACTED] ORANGE COUNTY
DISTRICT ATTORNEY'S OFFICE (OCDA), ADVISED THE LOS ANGELES
DIVISION THAT THE OCDA HAD BEEN INVESTIGATING [REDACTED]
FOR APPROXIMATELY 18 MONTHS IN CONNECTION WITH THE
FRAUDULENT OBTAINING OF APPROXIMATELY 20 MILLION DOLLARS
IN LOANS FROM CALIFORNIA CANADIAN BANK (CCB). [REDACTED]
ADVISED THAT [REDACTED] CCB,
PROVIDED THE OCDA WITH INFORMATION INDICATING THAT CCB
OFFICIALS COOPERATED WITH [REDACTED] ASSOCIATES
AND FURNISHING [REDACTED] AND HIS ASSOCIATES WITH OVER 20 MILLION
DOLLARS IN LOANS ALL OF WHICH ARE CURRENTLY IN DEFAULT.

[REDACTED] INTERNAL INVESTIGATION HAS DETERMINED THAT
NUMEROUS CCB BANK OFFICIALS TO INCLUDE [REDACTED]
[REDACTED]

[REDACTED] RECEIVED KICKBACKS FROM [REDACTED] AND HIS
ASSOCIATES FOR THEIR ASSISTANCE IN OBTAINING MILLIONS OF
DOLLARS IN LOANS FROM CCB.

IN ADDITION TO CASH PAYMENTS TO THESE BANK OFFICIALS,
INFORMATION HAS BEEN DEVELOPED INDICATING THAT THE SAME

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b6
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PAGE THREE (LA 194C-238) UNCLAS

OFFICIALS WERE FURNISHED BY [REDACTED] WITH THE SERVICES
OF [REDACTED]
[REDACTED]
[REDACTED]

b6
b7C

IN ADDITION TO THE ABOVE TRAVEL AND SERVICES
[REDACTED]

HAS BEEN INTERVIEWED IN DEPTH AND [REDACTED]

b6
b7C
b7D

[REDACTED] HAS ADVISED THAT WHILE
SERVING AS [REDACTED]

[REDACTED] HE WAS FURNISHED BY [REDACTED]

WITH [REDACTED]
[REDACTED]

IN ANALYZING CCB'S BANK RECORDS IT HAS BEEN
DETERMINED THAT [REDACTED] DIVERTED MUCH OF THE
PROCEEDS FROM THE AFOREMENTIONED LOANS TO HIS
PERSONAL USE. IT HAS ALSO BEEN DETERMINED THAT
MONIES DIVERTED FROM THOSE LOANS WERE CHanneled
BY [REDACTED] TO [REDACTED]

b6
b7C

[REDACTED] WHO CONVERTED

PAGE FOUR (LA 194C-238) UNCLAS

THOSE FUNDS TO CASH AND WHO MADE CASH PAYMENTS TO CCB BANKERS AND POLITICIANS. INVESTIGATION BY THE OODA HAS DETERMINED THAT NUMEROUS ILLEGAL CAMPAIGN CONTRIBUTIONS WERE MADE NOT ONLY TO POLITICIANS IDENTIFIED IN THIS INVESTIGATION BUT TO OTHER CALIFORNIA STATE OFFICIALS. THE ANALYSIS OF CCB'S BANK RECORDS HAS ALSO DETERMINED THAT

[REDACTED]
[REDACTED] IN ADDITION
TO [REDACTED]
RECEIVED NUMEROUS CONTRIBUTIONS FROM [REDACTED] RECEIVED
THE SERVICES OF [REDACTED]
[REDACTED]

b6
b7c

APPROXIMATELY 50 BANK ACCOUNTS HAVE BEEN SUBPOENAED BY THE LOS ANGELES DIVISION OF THE FBI, AND IT HAS BEEN DETERMINED THAT BETWEEN 50 THOUSAND AND 100 THOUSAND BANK CHECKS NEED BE COMPUTERIZED. THE LOS ANGELES DIVISION, HAS IN THE PAST, RECEIVED APPROVAL FROM THE FBI TO UTILIZE A LOCAL DATA PROCESSING

PAGE FIVE (LA 194C-238) UNCLAS

COMPANY, R&R DATA, ANAHEIM, CALIFORNIA, TO INPUT SUCH DATA INTO APPROPRIATE FORMAT FOR ANALYSIS. IT IS REQUESTED THAT THE BUREAU ONCE AGAIN APPROVED R&R DATA FOR USE IN CAPTIONED MATTER AND IF SO APPROVED LOS ANGELES WILL FILE BEFORE U.S. DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA AN APPROPRIATE AFFIDAVIT WHICH WILL ADDRESS THE RULE PROBLEM.

REQUEST OF THE BUREAU

THE BUREAU IS REQUESTED TO ADVISE LOS ANGELES AS SOON AS POSSIBLE AS TO LOS ANGELES' REQUEST. //

BT

#

Memorandum



Exec AD Adm. _____
Exec AD Inv. _____
Exec AD LES _____
Asst. Dir.: _____
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Insp. _____ b6
Intell. _____ b7C
Lab. _____
Legal Coun. _____
Off. Cong. &
Public Affs. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____
Telephone Rm. _____
Director's Sec'y _____

To :

Date 5/9/84

From :

Subject :

SOLID M. CORPORATION,
PYROTRONICS CORPORATION;
ET AL
HOBBS ACT - CORRUPTION OF PUBLIC OFFICIALS;
BF&E; MF; WIRE FRAUD; RICO

OO: LOS ANGELES

PURPOSE: To request approval for travel of Technical Services Division (TSD) employee.

DETAILS: Los Angeles advised by teletypes dated 4/30/84 and 5/8/84, they have initiated an investigation centered around a corruption of public officials matter involving various ordinances and legislative measures to outlaw certain distribution of fireworks in the State of California. As a result of this investigation, Los Angeles has obtained a voluminous number of records and is requesting they be computerized.

It is recommended that Systems Analyst [redacted] travel to Los Angeles's Santa Ana Resident Agency for the period 5/15 - 17/84. While in Santa Ana [redacted] will review the records with the case agent regarding the requirements on this matter.

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The estimated cost for TSD is: [redacted]

RECOMMENDATION: That Systems Analyst [redacted] travel to Santa Ana for the period of 5/15 - 17/84.

APPROVED:

Director _____

Exec. AD-Adm. _____

Exec. AD-Inv. _____

Exec. AD-LES _____

Adm. Servs. _____

Crim. Inv. _____

Ident. _____

Inspection _____

Intell. _____

Laboratory _____

Legal Coun. _____

Off. of Cong. _____

& Public Affs. _____

Rec. Mgnt. _____

Tech. Servs. _____

Training _____

MAY 11 1984

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Attn: [redacted]

(3)

JUL 17 1984

17/DOJ

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PP HQ SC

DE LA

P 0090315Z MAY 84

FM LOS ANGELES (194C-238) (WCC-4) (P)

TO DIRECTOR PRIORITY

SACRAMENTO (INFO) PRIORITY

BT

UNCLAS

RECEIVED
TELETYPE UNIT

9 MAY 84 03 42

FEDERAL BUREAU
OF INVESTIGATION

Exec. AD-Adm.	
Exec. AD-Inv.	
Exec. AD-LES	
Asst. Dir.:	
Adm. Serv.	
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Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

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SOLID M CORPORATION;

ET AL; HOBBS ACT - CORRUPTION OF PUBLIC OFFICIALS.

RE LOS ANGELES LHM DATED APRIL 18, 1984. CA

FOR INFORMATION OF BUREAU AND SACRAMENTO,

ON APRIL 30, 1984

SOLID M CORPORATION ADVISED THAT

WAS ECSTATIC WHEN H.R. 999 PASSED BOTH THE

CALIFORNIA STATE SENATE AND CALIFORNIA STATE ASSEMBLY.

INDICATED THAT SHORTLY THEREAFTER,

WHEREIN A GENERAL DISCUSSION ENSUED AS TO WHAT DOLLAR
AMOUNT WOULD HAVE TO BE OFFERED TO THEN GOVERNOR, JERRY
BROWN TO ASSURE THAT FORMER GOVERNOR BROWN WOULD
NOT VETO THE BILL. IT WAS SUBSEQUENTLY AGR ED AFTER

23 MAY 23 1984

6188
66 JUN 26 1984

PAGE TWO (LA 194C-238) UNCLAS

THROWING OUT VARIOUS DOLLAR AMOUNTS, THAT [REDACTED]
WAS PREPARED TO OFFER \$250,000 FOR FORMER GOVERNOR
BROWN'S ASSISTANCE. [REDACTED] SPECIFICALLY RECALLED

[REDACTED] WOULD GET
BACK THAT AMOUNT ON TEN FIREWORK STANDS ALONE IF
THE BILL WAS SIGNED INTO LAW. [REDACTED] SAID PASSAGE
OF THE BILL MEANT TENS OF MILLIONS OF DOLLARS IN
ADDITIONAL REVENUES TO [REDACTED] FIREWORKS COMPANIES.

[REDACTED] STATED FORMER GOVERNOR BROWN VETOED THE MEASURE
ON THE LAST DAY HE COULD CONSIDER THE BILL BEFORE
IT AUTOMATICALLY BECAME LAW. [REDACTED] SAID THAT TWO
DAYS PRIOR TO FORMER GOVERNOR BROWN VETOING THE MEASURE,
[REDACTED] HAD THREE BEHIND DOORS, LOCKED DOOR CONVERSATIONS
WITH GOVERNOR BROWN, TWO OF WHICH WERE INITIATED BY
[REDACTED] ONE OF WHICH WAS INITIATED BY FORMER GOVERNOR
BROWN.

THROUGH AN INDEPENDENT ORANGE COUNTY DISTRICT
ATTORNEY SOURCE, IT HAS BEEN LEARNED THAT FORMER GOVERNOR
BROWN WAS OFFERED \$250,000 FOR HIS UNITED STATES SENATORIAL
CAMPAIGN BUT BECAUSE OF HIS CONCERN OVER THE APPROACH

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PAGE THR EE (LA 194C-238) UNCLAS

BY [REDACTED] DECLINED TO ACCEPT THE MONEY AND SUBSEQUENTLY
VETOED THE BILL.

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IT IS ANTICIPATED THAT FORMER GOVERNOR BROWN
WILL BE INTERVIEWED WITHIN THE NEXT TWO WEEKS AND
EFFORTS TO ARRANGE AN APPOINTMENT ARE CURRENTLY UNDERWAY.

ON MAY 4, 1984, [REDACTED]

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[REDACTED] CONTACTED THE ORANGE COUNTY DISTRICT ATTORNEY'S
OFFICE AND EXPRESSED AN INTEREST TO BE INTERVIEWED.

IT IS ANTICIPATED THAT [REDACTED]

WILL BE INTERVIEWED ON MAY 9, 1984. LOS ANGELES'

LHM DATED APRIL 18, 1984 DISCUSSED IN DETAIL [REDACTED]

[REDACTED] INVOLVEMENT IN CAPTIONED
MATTER.

BT

#

DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

148

PAGE 1 OF 2

DATE

JUNE 5, 1984

CLASSIFICATION

UNCLAS E F T O

PRECEDENCE

ROUTINE

SF148TRR LA***

SF5HTRR LATDE HQ #0148 SF4WEOR 051934Z JUN 84

FM DIRECTOR FBI

TO FBI LOS ANGELES (194C-2381) ROUTINE

BT

14 UNCLAS E F T O

[REDACTED] SOLID M. CORPORATION, ET. AL. CA

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12 HOBBS ACT - CP0; 00: LOS ANGELES (LA)

RE LA FACSIMILE TO FBIHQ, DATED JUNE 4, 1984.

10 ON JUNE 5, 1984, WHITE-COLLAR CRIMES SECTION CHIEF HAL N.

HELTERHOFF GRANTED EMERGENCY BODY RECORDER AUTHORITY IN

8 CAPTIONED MATTER. SECTION CHIEF HELTERHOFF ALSO GRANTED

EMERGENCY AUTHORITY FOR CCTV COVERAGE, BUT ONLY FOR THE WEEK OF

6 JUNE 4-9, 1984. SUBSEQUENT EMERGENCY AUTHORITY MUST BE SOUGHT

PRIOR TO LOS ANGELES' RECEIVING DOJ AUTHORITY.

4 LOS ANGELES' REQUEST FOR BODY RECORDER AND CCTV AUTHORITY

HAS BEEN FORWARDED TO THE DOJ FOR THIRTY DAY APPROVAL. LOS

2 ANGELES WILL BE NOTIFIED UPON RECEIPT OF SAME BY FBIHQ.

BT

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APPR

DRAFTED BY

DATE

ROOM

TELE EXT.

[REDACTED] (2)

6/5/84

3114/6

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1 - MR. DIVERS

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FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS CENTER

JUN 5 1984

DO NOT FILE WITHOUT COMMUNICATIONS STAMP

12 JUN 6 1984

FBI/DOJ

DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
COMMUNICATION MESSAGE FORM

PAGE

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CONTINUATION SHEET

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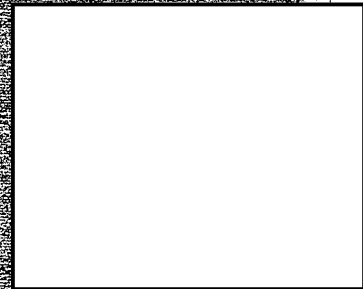
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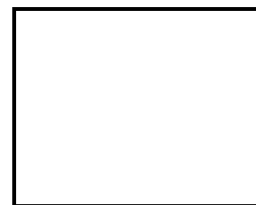
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12 JUN 6 1984

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ENCLOSURE

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Date: 11/1/78

RE LOS ANGELES (1940-1941) (WCO-1) (19)

TO DIRECTOR (1940-1941) PRIORITY

BT

UNCLAS

FROM: PUBLIC CORRUPTION UNIT, FBIHQ

[REDACTED]

TO: [REDACTED] CORPORATION, ELECTRONIC

CORPORATION, 2211 HUGHES AVE., SUITE 100, LOS ANGELES, CALIF. 90007

RE: RALPH SPANE, WFO FIELD, RECD, CO, LOS ANGELES

RE LOS ANGELES Airtel and LETHBRIDGE MEMORANDUM (1980)

TO THE BUREAU DATED APRIL 16, 1980, AND MARCH 17, 1980.

PURPOSE: FEDERAL AUTHORITY IS HEREBY REQUESTED TO
UTILIZE AN ELECTRONIC DEVICE WITH VIDEO CAPABILITIES TO
MONITOR AND/OR RECORD PRIVATE CONVERSATIONS BETWEEN SOURCE
[REDACTED]

CONNECTION WITH SOURCE A TOPICAL CORRUPTION AND RACE
MATTERS.

DETAILS: DEPARTMENT OF JUSTICE AUTHORITY IS REQUESTED
FOR THIS REQUEST SINCE THE INVESTIGATION RELATES TO THE

[REDACTED]

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194-4518-15

EXCLUSION 1

PAGE TWO SLA 1940-192: UNCLAS

INVESTIGATION OF NUMEROUS PUBLIC OFFICIALS AND INVOLVES BRIBERY,
CONFLICT OF INTEREST, OR EXTORTION RELATING TO THE PERFORMANCE
OF THEIR OFFICIAL DUTIES. INVESTIGATION TO DATE INDICATES THAT

[REDACTED] AND OTHERS MAY HAVE OBTAINED OVER TWENTY MILLION DOLLARS
IN FRAUDULENT LOANS FROM CALIFORNIA CANADIAN BANK (CCB). IN
ADDITION, IT APPEARS THAT [REDACTED]

[REDACTED] ATTEMPTED TO ILLEGALLY INFLUENCE CALIFORNIA LEGISLATION
(SB 999) AND CITY ORDINANCES PERTAINING TO FIREWORKS SALES AND
ALSO IN THE OBTAINING OF APPROVAL TO OPEN THE CALIFORNIA CARD
CLUB IN COMMERCE, CALIFORNIA.

ON MAY 22, 1984, SOURCE ADVISED THAT HE HAD A [REDACTED]

[REDACTED] THE APPROX-
IMATE PERIOD SEPTEMBER 1981 AND MAY 1983. DURING THAT [REDACTED]
SOURCE DID [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

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LA05761710515Z

PP HQ

DE LA 020

P 018 0515Z JUN 84

FM LOS ANGELES (194C-238) (WCC-4) (P)

TO DIRECTOR (194-4378) PRIORITY

BT

UNCLAS E F T O

ATTN: PUBLIC CORRUPTION UNIT, SUPERVISOR

SOLID M. CORPORATION,

PYROTRONICS CORPORATION; ET AL; HOBBS ACT - CORRUPTION
OF PUBLIC OFFICIALS; BF&E; MAIL FRAUD; WIRE FRAUD; RICO;
OO: LOS ANGELES.

RE LOS ANGELES LETTERHEAD MEMORANDUM TO BUJEAU DATED
MARCH 22, 1984, AND LOS ANGELES TELETYPE TO BUREAU DATED
JUNE 4, 1984.

PURPOSE:

EMERGENCY AUTHORITY IS HEREBY REQUESTED TO UTILIZE
AN ELECTRONIC RECORDING DEVICE AND TRANSMITTER TO RECORD
AND MONITOR PRIVATE CONVERSATIONS BETWEEN

AND OTHERS IN

CONNECTION WITH A HOBBS ACT/POLITICAL CORRUPTION AND BF&E

Exec. AD-Adm.	
Exec. AD-Inv.	
Exec. AD-LES	
Asst. Dir.:	
Adm. Servs.	
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12 JUL 2 1984

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6/19/84

PAGE TWO (LA 194C-238) UNCLAS E F T O
INVESTIGATION.

DETAILS:

DEPARTMENT OF JUSTICE (DOJ) AUTHORITY IS REQUIRED FOR THIS REQUEST SINCE THE INTERCEPTION RELATES TO THE INVESTIGATION OF NUMEROUS PUBLIC OFFICIALS AND INVOLVED BRIBERY, CONFLICT OF INTEREST, OR EXTORTION RELATING TO THE PERFORMANCE OF THEIR OFFICIAL DUTIES. INVESTIGATION TO DATE INDICATES THAT [REDACTED] AND OTHER [REDACTED] ASSOCIATES OBTAINED OVER TWENTY MILLION DOLLARS IN FRAUDULENT LOANS FROM CALIFORNIA CANADIAN BANK (CCB).

IN ADDITION, IT APPEARS THAT [REDACTED] [REDACTED] ASSOCIATES ATTEMPTED TO INFLUENCE CALIFORNIA SENATE BILL 999 (PERTAINING TO FIREWORKS LEGISLATION) AND OTHER CITY ORDINANCES PERTAINING TO FIREWORKS LEGISLATION) AND OTHER CITY ORDINANCES PERTAINING TO FIREWORKS SALES BY MAKING SUBSTANTIAL CONTRIBUTIONS TO STATE AND LOCAL POLITICIANS AND OFFERING THOSE POLITICIANS OTHER BENEFITS. THESE OTHER BENEFITS INCLUDED THE USE OF COMPANY-OWNED AUTOMOBILES, THE PURCHASE OF FURNITURE FOR THOSE POLITICIANS, THE USE OF COMPANY-OWNED CONDOMINIUMS LOCATED IN PALM SPRINGS, CALIFORNIA, AND HONOLULU, HAWAII, AND INTEREST

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PAGE THREE (LA 194C-238) UNCLAS E F T O

IN [REDACTED] RELATED COMPANIES.

ON JUNE 14, 1984, [REDACTED] ADVISED THAT HE SPOKE WITH [REDACTED]

[REDACTED] AND AGREED TO MEET WITH [REDACTED]

ON JUNE 19, 1984, TO PREPARE FOR [REDACTED]

[REDACTED] INDICATED THAT HE HAS BEEN A [REDACTED]

[REDACTED] FOR SEVERAL YEARS AND DURING

HIS ASSOCIATION WITH [REDACTED] CONFIDED IN [REDACTED] CERTAIN

KEY INFORMATION RELATING TO [REDACTED] OPERATION. [REDACTED] ADVISED

THAT HE FEELS THAT [REDACTED] WILL IN ALL LIKELIHOOD DISCUSS WITH

[REDACTED] THE CURRENT FBI INVESTIGATION [REDACTED] OF

ILLEGAL ACTIVITIES INVOLVING [REDACTED] VARIOUS BANKERS AND

POLITICIANS IDENTIFIED IN LOS ANGELES' INVESTIGATION.

LOS ANGELES' INVESTIGATION HAS DETERMINED THAT [REDACTED]

FREQUENTLY HAD [REDACTED] EMPLOYEES TAKE BUSINESS CHECKS TO

LOCAL BANKS AND CASH SAME WHICH CASH PAYMENTS WERE RETURNED

TO [REDACTED] THROUGH INTERVIEWS OF OTHER [REDACTED]

EMPLOYEES, IT HAS BEEN DETERMINED THAT THE CASH RETURNED TO

[REDACTED] EVENTUALLY WAS DISBURSED TO BANKERS HAVING

GRANTED [REDACTED] FAVORABLE LOANS.

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PAGE FOUR (LA 194C-238) UNCLAS E F T O

IT IS THE OPINION OF THE LOS ANGELES DIVISION THAT [REDACTED] WILL, IN ALL LIKELIHOOD, PROVIDE VALUABLE INFORMATION AS TO BRIBES PREVIOUSLY MADE BY [REDACTED] BOTH TO CALIFORNIA STATE AND LOCAL POLITICIANS, AS WELL AS TO VARIOUS BANKERS HAVING DEALT WITH [REDACTED] AND HAVING SECURED [REDACTED] AND HIS ASSOCIATES LOANS.

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U.S. ATTORNEY'S OPINION:

ON JUNE 14, 1984, ASSISTANT U.S. ATTORNEY (AUSA) [REDACTED] [REDACTED] LOS ANGELES, CALIFORNIA, WAS CONTACTED REGARDING THIS MATTER AND CONCURS WITH THE USE OF THE NAGRA BODY RECORDER AND TRANSMITTER. AUSA [REDACTED] STATED THAT HE DOES NOT FORESEE ANY INSURMOUNTABLE BAR TO PROSECUTION BY USING SUCH EQUIPMENT, NOR DOES HE FEEL THAT SUCH USE WOULD RAISE ANY ENTRAPMENT ISSUES. AUSA [REDACTED] HAS BEEN ASSIGNED TO THIS INVESTIGATION SINCE ITS INCEPTION AND IS TOTALLY FAMILIAR WITH THE FACTS SURROUNDING THE INVESTIGATION.

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EMERGENCY AUTHORITY:

PAGE FIVE (LA 194C-238) UNCLAS E F T O

EMERGENCY AUTHORITY IS REQUESTED FOR AN INITIAL PERIOD
OF THIRTY DAYS TO UTILIZE THE NAGRA BODY RECORDER AND TRANSMITTER
TO RECORD PRIVATE CONVERSATIONS BETWEEN [REDACTED]

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[REDACTED] AND OTHERS. THE EQUIPMENT WILL ONLY BE UTILIZED BY
[REDACTED] AND HE HAS STATED THAT HE IS PREPARED AND WILLING TO
TESTIFY IN COURT AND WILL EXECUTE AN FD-473 PRIOR TO THE USE
OF THE EQUIPMENT. EMERGENCY AUTHORITY IS REQUESTED IN VIEW
OF THE FACT THAT THE MEETING WILL OCCUR ON JUNE 19, 1984.

ADMINISTRATIVE:

ON JUNE 14, 1984, [REDACTED] ASSISTANT SPECIAL AGENT
IN CHARGE, LOS ANGELES DIVISION, ADVISED THAT HE CONCURS WITH
THE USE OF THE EQUIPMENT REQUESTED IN THIS COMMUNICATION.

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BT

#

Office of Enforcement Operations
Criminal Division

Director, FBI

FEDERAL GOVERNMENT

June 19, 1984

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1 - [redacted]
Rm 5847
1 - [redacted]

[redacted] SOLID M. CORPORATION,
PYROTRONICS CORPORATION; AND OTHERS; HOBBS ACT - CORRUPTION
OF PUBLIC OFFICIALS; BANK FRAUD AND EMBEZZLEMENT; MAIL FRAUD;
WIRE FRAUD; RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS

Attached is a copy of a communication which furnishes information concerning a current investigation. Exigent circumstances precluded a request for authorization in advance to utilize an electronic device to monitor and/or record private conversations with the consent of a party.

Under the provisions of Part III (b) of the Attorney General's Memorandum of November 7, 1983, to the Heads of Executive Departments and Agencies entitled, "Monitoring Private Conversations with the Consent of a Party," emergency monitoring was instituted under the authorization of an appropriate official of the FBI.

Monitoring of this conversation was authorized in the best interest of law enforcement in that it was expected to provide corroborative evidence and to protect the individual utilizing the equipment.

Further monitoring is expected in this matter and it is requested that your office approve the use of this equipment for a period of 30 days beginning the date on which you grant approval.

Enclosure

12 JUL 2 1984

NOTE: Emergency authority was obtained from Section Chief Hal N. Helterhoff on 6/19/84, and relayed to SSRA [redacted] LA, by SSA [redacted] same date.

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Exec AD Adm. _____
Exec AD Inv. _____
Exec AD LES _____
Asst. Dir.:
Adm. [redacted]
Crim. [redacted]
Ident. [redacted]
Insp. [redacted]
Intell. [redacted]
Lab. [redacted]
Legal Coun. [redacted]
Off. Cong. & Public Affs. [redacted]
Rec. Mgnt. [redacted]
Tech. Servs. [redacted]
Training [redacted]
Telephone Rm. [redacted]
Director's Sec'y [redacted]

APPROVED:

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Exec. AD-Inv. _____
Exec. AD-LES _____

Adm. Serv. _____
Crim. Inv. _____

Ident. _____
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FOUR
ELSUP INDEX

MAIL ROOM

WALKED 000

16-21-84

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PP HQ

DE LA 020

P 018 0515Z JUN 84

FM LOS ANGELES (194C-238) (WCC-4) (P)

TO DIRECTOR (194-4378) PRIORITY

BT

UNCLAS E F T O

[REDACTED] SOLID M. CORPORATION,
PYROTRONICS CORPORATION; ET AL; HOBBS ACT - CORRUPTION
OF PUBLIC OFFICIALS; BF&E; MAIL FRAUD; WIRE FRAUD; RICO;
OO: LOS ANGELES.

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RE LOS ANGELES LETTERHEAD MEMORANDUM TO BUJEAU DATED
MARCH 22, 1984, AND LOS ANGELES TELETYPE TO BUREAU DATED
JUNE 4, 1984.

PURPOSE:

EMERGENCY AUTHORITY IS HEREBY REQUESTED TO UTILIZE
AN ELECTRONIC RECORDING DEVICE AND TRANSMITTER TO RECORD
AND MONITOR PRIVATE CONVERSATIONS BETWEEN [REDACTED]

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[REDACTED] AND OTHERS IN
CONNECTION WITH A HOBBS ACT/POLITICAL CORRUPTION AND BF&E

194-4378-17
ENCLOSURE

PAGE TWO (LA 194C-238) UNCLAS E F T O

INVESTIGATION.

DETAILS:

DEPARTMENT OF JUSTICE (DOJ) AUTHORITY IS REQUIRED FOR THIS REQUEST SINCE THE INTERCEPTION RELATES TO THE INVESTIGATION OF NUMEROUS PUBLIC OFFICIALS AND INVOLVED BRIBERY, CONFLICT OF INTEREST, OR EXTORTION RELATING TO THE PERFORMANCE OF THEIR OFFICIAL DUTIES. INVESTIGATION TO DATE INDICATES THAT [REDACTED]

AND OTHER [REDACTED] ASSOCIATES OBTAINED OVER TWENTY MILLION DOLLARS IN FRAUDULENT LOANS FROM CALIFORNIA CANADIAN BANK (CCB). IN ADDITION, IT APPEARS THAT [REDACTED]

[REDACTED] ASSOCIATES ATTEMPTED TO INFLUENCE CALIFORNIA SENATE BILL 999 (PERTAINING TO FIREWORKS LEGISLATION) AND OTHER CITY ORDINANCES PERTAINING TO FIREWORKS LEGISLATION) AND OTHER CITY ORDINANCES PERTAINING TO FIREWORKS SALES BY MAKING SUBSTANTIAL CONTRIBUTIONS TO STATE AND LOCAL POLITICIANS AND OFFERING THOSE POLITICIANS OTHER BENEFITS. THESE OTHER BENEFITS INCLUDED THE USE OF COMPANY-OWNED AUTOMOBILES, THE PURCHASE OF FURNITURE FOR THOSE POLITICIANS, THE USE OF COMPANY-OWNED CONDOMINIUMS LOCATED IN PALM SPRINGS, CALIFORNIA, AND HONOLULU, HAWAII, AND INTEREST

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PAGE THREE (LA 194C-238) UNCLAS E F T O

IN [REDACTED] RELATED COMPANIES.

ON JUNE 14, 1984 [REDACTED] ADVISED THAT HE SPOKE WITH [REDACTED]

[REDACTED] AND AGREED TO MEET WITH [REDACTED]

ON JUNE 19, 1984, TO PREPARE FOR [REDACTED]

[REDACTED] INDICATED THAT HE HAS BEEN A [REDACTED]

[REDACTED] FOR SEVERAL YEARS AND DURING

HIS ASSOCIATION WITH [REDACTED] CONFIDED IN [REDACTED] CERTAIN

KEY INFORMATION RELATING TO [REDACTED] OPERATION. [REDACTED] ADVISED

THAT HE FEELS THAT [REDACTED] WILL IN ALL LIKELIHOOD DISCUSS WITH

[REDACTED] THE CURRENT FBI INVESTIGATION [REDACTED] OF

ILLEGAL ACTIVITIES INVOLVING [REDACTED] VARIOUS BANKERS AND

POLITICIANS IDENTIFIED IN LOS ANGELES' INVESTIGATION.

LOS ANGELES' INVESTIGATION HAS DETERMINED THAT [REDACTED]

FREQUENTLY HAD [REDACTED] EMPLOYEES TAKE BUSINESS CHECKS TO

LOCAL BANKS AND CASH SAME WHICH CASH PAYMENTS WERE RETURNED

TO [REDACTED] THROUGH INTERVIEWS OF OTHER [REDACTED]

EMPLOYEES, IT HAS BEEN DETERMINED THAT THE CASH RETURNED TO

[REDACTED] EVENTUALLY WAS DISBURSED TO BANKERS HAVING

GRANTED [REDACTED] FAVORABLE LOANS.

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PAGE FOUR QLA 194C-238) UNCLAS E F T O

IT IS THE OPINION OF THE LOS ANGELES DIVISION THAT [REDACTED] b6 b7C
WILL, IN ALL LIKELIHOOD, PROVIDE VALUABLE INFORMATION AS TO
BRIBES PREVIOUSLY MADE BY [REDACTED] BOTH TO CALIFORNIA STATE
AND LOCAL POLITICIANS, AS WELL AS TO VARIOUS BANKERS HAVING
DEALT WITH [REDACTED] AND HAVING SECURED [REDACTED] AND HIS
ASSOCIATES LOANS.

U.S. ATTORNEY'S OPINION:

ON JUNE 14, 1984, ASSISTANT U.S. ATTORNEY (AUSA) [REDACTED]
[REDACTED] LOS ANGELES, CALIFORNIA, WAS CONTACTED REGARDING
THIS MATTER AND CONCURS WITH THE USE OF THE NAGRA BODY
RECORDER AND TRANSMITTER. AUSA [REDACTED] STATED THAT HE DOES
NOT FORESEE ANY [REDACTED] BAR TO PROSECUTION BY USING
SUCH EQUIPMENT, NOR DOES HE FEEL THAT SUCH USE WOULD RAISE
ANY ENTRAPMENT ISSUES. AUSA [REDACTED] HAS BEEN ASSIGNED TO
THIS INVESTIGATION SINCE ITS INCEPTION AND IS TOTALLY FAMILIAR
WITH THE FACTS SURROUNDING THE INVESTIGATION.

EMERGENCY AUTHORITY:

PAGE FIVE (LA 194C-238) UNCLAS E F T O

EMERGENCY AUTHORITY IS REQUESTED FOR AN INITIAL PERIOD OF THIRTY DAYS TO UTILIZE THE NAGRA BODY RECORDER AND TRANSMITTER TO RECORD PRIVATE CONVERSATIONS BETWEEN [REDACTED]

[REDACTED] AND OTHERS. THE EQUIPMENT WILL ONLY BE UTILIZED BY

[REDACTED] AND HE HAS STATED THAT HE IS PREPARED AND WILLING TO TESTIFY IN COURT AND WILL PROVIDE WRITTEN CONSENT PRIOR TO THE USE OF THE EQUIPMENT. EMERGENCY AUTHORITY IS REQUESTED IN VIEW OF THE FACT THAT THE MEETING WILL OCCUR ON JUNE 19, 1984.

BT DUE TO EXIGENT CIRCUMSTANCES, EMERGENCY AUTHORITY WAS GRANTED ON 6/19/84 BY AN APPROPRIATE FBIHQ OFFICIAL.

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6/25/84

Director, FBI (194-4378)

SAC, Los Angeles (194C-238)

[REDACTED] SOLID M.
CORPORATION, PYROTRONICS CORPORATION;
ET AL; HOBBS ACT - CPO; BANK FRAUD
AND EMBEZZLEMENT; MF; WIRE FRAUD; RICO
OO: LOS ANGELES (LA)

ReLatel to the Bureau, 6/18/84, and Butelcal to LA,
6/19/84.

ReButelcal 6/19/84 advised that emergency authority was
granted for the use of an electronic device to monitor and/or
record conversations between [REDACTED]
[REDACTED] and others unknown.

This is to confirm that written authority has now been
obtained from the Criminal Division, Department of Justice, for
the use of electronic device for a period of 30 days beginning
6/21/84.

Within 30 days of expiration of this authorization,
advise FBIHQ regarding the use of this equipment through
submission of a FD-621 (see Manual of Investigative Operations
and Guidelines (MIOG), Part II, Section 10-10.3 (6), page 1066.10
under "Consensual Monitoring.")

In the event a renewal of this authority is deemed
warranted, submit your request with full justification. An
appropriate system should be established so that renewal authority
requests are received at FBIHQ at least seven days prior to the
expiration of the existing authority.

In addition, you should insure that all persons reasonably
identified as having been monitored are suitably included in the
field office and FBIHQ ELSUR indices, commensurate with existing
instructions as outlined per MIOG, Part II, Section 10-10.5, pages
1066.10-1066.12. Strict administrative controls must be established
to insure these requirements are met.

(SEALED ENCL)

ENCLOSURE ATTACHED

Bureau equipment should be afforded appropriate security
and you should keep the Bureau advised of pertinent developments.

SEE NOTE PAGE TWO

(4)

6-1984

MAIL ROOM

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NOTE: Emergency authority was obtained from Section Chief Hal N. Helterhoff on 6/19/84. and relayed to SSRA [redacted] LA, by SSA [redacted] same date.

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See Bureau letter to Office of Enforcement Operations dated 6/19/84. No Bureau markings or stamps to be placed on original memorandum.

ENCLOSURE (7) TO (LETTER) (AIRTEL)

TO SAC - LOS ANGELES

DATED 6-25-84

RE [REDACTED]

[REDACTED] SOLID M. CORPORATION

PHOTONICS CORPORATION

LA FILE NO. 194 C-238

BUFILE NO. 194-4308

[REDACTED]

121

ENCLOSURE

194-4518-18

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Memorandum



To : Office of Enforcement Operations
Criminal Division

Date: June 19, 1984

F : [Redacted] Director, FBI

Subject : [Redacted] SOLED M. CORPORATION,
PYROTRONICS CORPORATION; AND OTHERS; HOBBS ACT - CORRUPTION
OF PUBLIC OFFICIALS; BANK FRAUD AND EMBEZZLEMENT; MAIL FRAUD;
WIRE FRAUD; RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS

Attached is a copy of a communication which furnishes information concerning a current investigation. Exigent circumstances precluded a request for authorization in advance to utilize an electronic device to monitor and/or record private conversations with the consent of a party.

Under the provisions of Part III (b) of the Attorney General's Memorandum of November 7, 1983, to the Heads of Executive Departments and Agencies entitled, "Monitoring Private Conversations with the Consent of a Party," emergency monitoring was instituted under the authorization of an appropriate official of the FBI.

Monitoring of this conversation was authorized in the best interest of law enforcement in that it was expected to provide corroborative evidence and to protect the individual utilizing the equipment.

Further monitoring is expected in this matter and it is requested that your office approve the use of this equipment for a period of 30 days beginning the date on which you grant approval.

Enclosure

Approved:

(Pursuant to the Authority of the
Attorney General 11-7-83)

[Redacted Signature Box]

Director
Office of Enforcement Operations

Date: JUN 21 1984

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Memorandum



8-3

DIRECTOR, FBI (194-4378)
ATTN: TECHNICAL SERVICES DIVISION,
SIGNAL ANALYSIS UNIT

Date 7/23/84

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SAC, LOS ANGELES (194C-238) (WCC-4) (P)

Subject :

Solid M Corporation,
Pyrotronics Corporation;
ET AL;
HOBBS ACT - CORRUPTION OF PUBLIC
OFFICIALS; BF&E; MAIL FRAUD;
WIRE FRAUD; RICO

OO: Los Angeles

40803014

Enclosed for the Bureau are two original tape recorded
conversations between [redacted] and [redacted]

For the information of the Bureau, on 7/19/84, [redacted]
[redacted] consensually agreed to have private conversations
between he and [redacted] recorded in connection with Los Angeles'
public corruption investigation.

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REQUEST OF THE BUREAU

The Signal Analysis Unit, Technical Services Division,
is requested to enhance the quality of [redacted] voice on the
original tape recorded conversations. As the Unit will note,
[redacted] voice continued to get softer and softer as the con-
versations continued.

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The Bureau is requested to return the original tapes
upon completion of requested examinations.

194-4518-19

16 AUG 9 1984

1 cc and enclosures
detached Div.

3 - Bureau (Enc. 2)
2 - Los Angeles

(5)

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TSD Report
12/17/84

INDEX-446

46 JAN 24 1985

Worksheet 40803014 EVT

Q1 One Compact Cassette C-90 magnetic tape cassette marked in part

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b7C

Q2 One Compact Cassette C-90 magnetic tape cassette marked in part

Both Qs tabs missing. Nak 600 a/v reflects first 3/4 of
side 1 of Q1 is recorded, stronger on right channel &
none of side 2 is recorded.

Max 680 a/v reflects only first 1/5 of side 1 of QR is recorded, stronger on right channel + none of side 2 is recorded.

Q1 has a n/f problem + a noise band ~ 900Hz, also spec. h tends to be blurry + muffled, a single TC, right channel only is recorded

Enhancement of Q1

1. Q1 played on Revox B710, auto tape/E9, no dolly, taking right track
2. Thru DAC 1024D, 3 KHZ BW, 1CH, LAV, normal mode, 512-fs, time-8, proc res, no rolloffs
3. Thru G.B., f-12, rt ~ .25
4. Orbon 622B, one slight notch ~ 3k
5. Ithaco 4211, nbp, 200 - 3.15 KHZ, 200 - 3.15 KHZ
6. Two enhanced copies:
 - A. One on side A of a Maxell C90, auto tape/E9, 1/4-binaural,
 - B. One on a partial 7" reel Scotch 176, full, 3 3/4 ips, Revox A700
7. Protection " " " " " " " " 4R-D/E " " " "
8. Enhancement adds treble & takes down base, improves all probably some new words for far party - TC mostly intelligible with close listening, toward end the far party becomes so low it can either not be heard or barely heard on B copy

11/20/84

Worksheet 40803014 EVT

Q2 3 TCs where man (far party) talks with easily intelligible female (loud party) re wanting to talk to a 3rd person (male) each time, some low end tones (medium level), mostly intelligible easily without enhancement.

Enhancement of Q2

1. same as Q1
2. " " "
3. " " "
4. " " " but no notes
5. " " " but 200-4K, 200-4K
6. " " "

A on Maxell C45

B on partial 5" reel Scotch 176, full, 3 3/4 IPS, Revox A700

C Protection " " " " " " 4R-0/E " " "

8. Enhancement improves w/f, ends trouble & clarity, takes down base & low end tones - probably no new words

DA 9



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ORDER OF INTERCEPTION
AGENT SUPERVISING INTERCEPTION

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b7D

[Redacted]

WARRANT ORDER AUTHORIZING INTERCEPTION

INDIVIDUAL GIVING CONSENT (CONSENSUAL)

INTERCEPTION: 7/19/84 11:00
Date Time

IDENTITY OF PERSONS INTERCEPTED IF KNOWN

[Redacted]

(T-III)

[Redacted]

Los Angeles, Ca

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Agent's Name: [Redacted] Date: 7/19/84

Signature: [Redacted] *en route 21+02 4080301450T*

Time: [Redacted] Date: 7/19/84 Time: 11:45
Released Evidence to [Redacted]

Time: 10:15 *return to [Redacted]* Time: 3:00

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EVIDENCE
BUREAU OF INVESTIGATION
WASHINGTON, D. C.

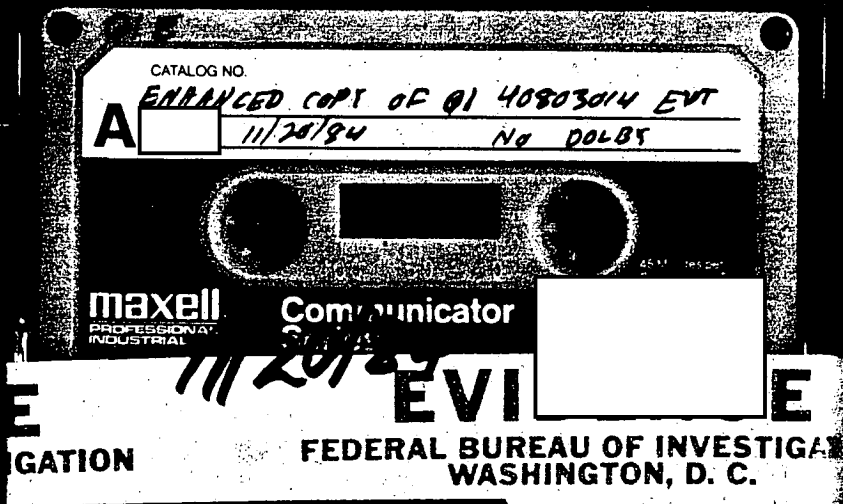
EVIDENCE
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C.

FEDERAL

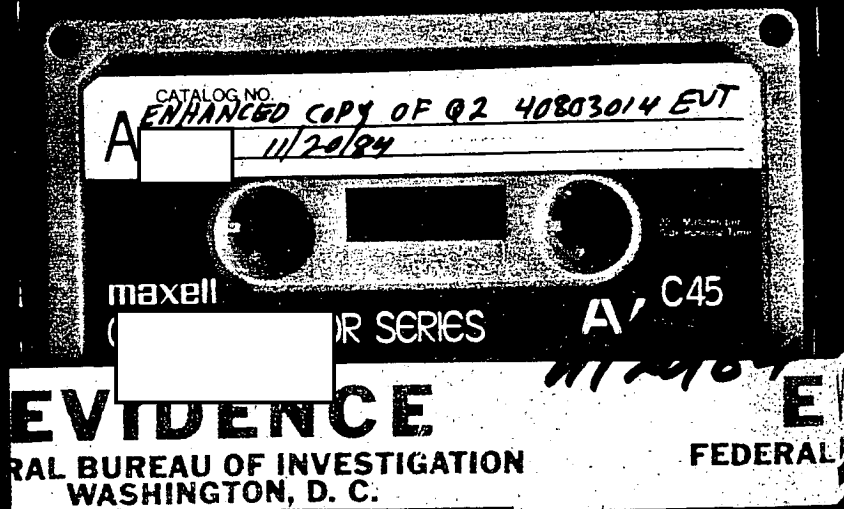
OF INVESTIGATION
WASHINGTON, D. C.

11/20/84





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3M

EVIDENCE

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C.

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EVID

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C.

11/20/88

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ENHANCED COPY OF Q2 4080304EVT
FULL TRACK, 3 3/4 IPS, REVOK A700



11/26/84



ICE

INVESTIGATION
D. C.

EVIDENCE

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C.

11/26/84

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FEDERAL BUREAU OF INVESTIGATION

Reporting Office LOS ANGELES	Office of Origin LOS ANGELES	Date 7/12/84	Investigative Period 6/27/84 - 7/12/84
Title of Case ET AL OO: Los Angeles		Report made by SA	Typed By:
		Character of Case HOBBS ACT - CORRUPTION OF PUBLIC OFFICIALS; BANK FRAUD AND EMBEZZLEMENT; MAIL FRAUD; RICO; NATIONAL BANKRUPTCY ACT; CONSPIRACY	
		SECUTIVE	

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6 P-7

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8/17 ⊕

Approved	Special Agent in Charge	Do not write in spaces below	
Copies made: ② - Bureau 1 - USA, Los Angeles Attn: AUSA 2 - Los Angeles (194C-238)		194-4518-20 15 AUG 24 1984	DE-52

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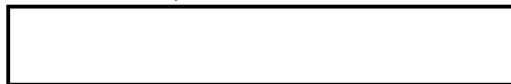
Notations:

-A*-
COVER PAGE



FEDERAL BUREAU OF INVESTIGATION

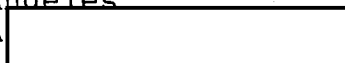
PROSECUTIVE REPORT OF INVESTIGATION CONCERNING



AND OTHERS
HOBBS ACT -
CORRUPTION OF PUBLIC OFFICIALS;
BANK FRAUD AND EMBEZZLEMENT;
MAIL FRAUD;
RICO;
NATIONAL BANKRUPTCY ACT;
CONSPIRACY

b6
b7C

1 - USA, Los Angeles
Attn: AUSA



b6
b7C

TABLE OF CONTENTS

	<u>PAGE</u>
Narrative of Offense	B
Enclosures to United States Attorney, Los Angeles	C
Name of Defendant	D
Prosecutive Status	E
Evidence	F
Table of Contents for Report Forms	1
Report Form	2

Copy to:

Report of: SA [redacted]
Date: 7/12/84

Office: Los Angeles, California

b6
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Field Office File #: 194C-238

Bureau File #:

Narrative of Offense:

This investigation arose out of the political corruption case against [redacted] currently ongoing. [redacted] is a major target of that investigation and, during the course of that investigation, certain discrepancies became apparent between financial data developed on [redacted] and [redacted] bankruptcy petition.

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Although [redacted] operated under three corporations as well as his own name, the evidence (as developed by Internal Revenue Service) will show that the three corporations were "shell" corporations and nothing more than alter egos of [redacted]

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Investigation has disclosed numerous items of false information on [redacted] bankruptcy petition each of which constitutes a violation of Title 18, Section 352.

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B-1